



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended April 30, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to ____

Commission File Number 001-14505

KORN FERRY

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

1900 Avenue of the Stars, Suite 2600, Los Angeles, California
(Address of Principal Executive Offices)

95-2623879

(I.R.S. Employer Identification No.)

90067

(Zip Code)

(310) 552-1834

(Registrant's Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class
Common Stock, par value \$0.01 per share

Trading Symbol(s)
KFY

Name of Each Exchange on Which Registered
New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Non-accelerated filer ☐

Emerging growth company ☐

Accelerated filer ☐

Smaller reporting company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of our common stock as of June 22, 2021 was 54,010,212 shares. The aggregate market value of the registrant's voting and non-voting common stock held by non-affiliates of the registrant on October 30, 2020, the last business day of the registrant's most recently completed second fiscal quarter (assuming that the registrant's only affiliates are its officers, directors and 10% or greater stockholders) was approximately \$1,200,014,249 based upon the closing market price of \$30.19 on that date of a share of common stock as reported on the New York Stock Exchange.

Documents incorporated by reference

Portions of the registrant's definitive Proxy Statement for its 2021 Annual Meeting of Stockholders scheduled to be held on September 22, 2021 are incorporated by reference into Part III of this Form 10-K.



KORN FERRY

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PART I.

Item 1. *Business*

ABOUT KORN FERRY

Korn Ferry (referred to herein as the “Company” or in the first-person notations “we,” “our,” and “us”) is a global organizational consulting firm, synchronizing our clients’ strategy, operations and talent to drive superior business performance.

During fiscal 2021, we partnered with 13,038 organizations. Our clients include many of the world’s largest and most prestigious public and private companies, middle-market and emerging growth companies, as well as government and nonprofit organizations. We serve approximately 94% of the Fortune 100 and 86% of the Financial Times Stock Exchange 100. We have built strong client loyalty, with 90% of our engagements in fiscal 2021 being completed on behalf of clients for whom we had conducted engagements in the previous three fiscal years.

The Company has seven reportable segments that operate through the following four lines of business:

1. **Consulting** aligns organization structure, culture, performance and people to drive sustainable growth by addressing four fundamental needs: Organization Strategy, Assessment and Succession, Leadership and Professional Development and Total Rewards. This work is supported by a comprehensive range of some of the world’s leading intellectual property (“IP”) and data.
2. **Digital** leverages an artificial intelligence (“AI”) powered, machine-learning platform to identify the best structures, roles, capabilities and behaviors needed to drive business forward. The end-to-end system combines Korn Ferry proprietary data, client data, and external market data to generate insight and recommend action.
3. **Executive Search** helps organizations recruit board level, chief executive and other senior executive and general management talent. Behavioral interviewing and proprietary assessments are used to determine ideal organization fit, and salary benchmarking builds appropriate frameworks for compensation and retention. This business is managed and reported on a geographic basis and represents four of the Company’s reportable segments (Executive Search North America, Executive Search EMEA, Executive Search Asia Pacific and Executive Search Latin America).
4. **RPO and Professional Search** combines people, process expertise and IP-enabled technology to deliver enterprise talent acquisition solutions to clients. Transaction sizes range from single professional searches to team, department and line of business projects, and global outsource recruiting solutions.

In March 2020, COVID-19 was reported to have spread to over 100 countries, territories or areas worldwide, and in the fourth quarter of our fiscal 2020, the World Health Organization declared it a pandemic. The negative business impact of the coronavirus outbreak was initially most pronounced in the Asia Pacific region. During fiscal 2021, the impact was felt throughout all the geographical areas in which we do business. Governments and companies implemented social distancing - limiting either travel or in person individual or group face-to-face interaction as well as working from home to adhere to stay at home orders from national, state and city government. Such restrictions initially impacted our ability to provide our products and services to our clients with such impact lessening in the second, third and fourth quarters of fiscal 2021 as the world learned to operate in different ways. Further, the outbreak has restricted the level of economic activity in the areas in which we operate and had an adverse impact on demand for and sales of our products and services throughout the pandemic. All of our reportable segments across all of our geographies have been impacted as fee revenue decreased significantly in the fourth quarter of fiscal 2020 and further decreased in the first quarter of fiscal 2021 due to a decrease in demand as clients responded to the pandemic. As a result of this and, as part of a broader program aimed at taking advantage of our strong balance sheet and liquidity position, on April 20, 2020, we initiated a plan that was intended to adjust our cost base to the current economic environment and to position us to invest in the recovery. This plan included (i) a reduction in workforce, which was completed by the end of the first quarter of fiscal 2021 and resulted in restructuring charges of \$40.5 million and \$30.7 million associated with severance during fiscal 2020 and 2021, respectively, (ii) the temporary furlough of certain employees, (iii) subject to certain exceptions and legal requirements, salary reductions across the organization through December 31, 2020, and (iv) other cost saving measures relating to general and administrative expenses.

In the third and fourth quarter of fiscal 2021, the Company saw business conditions improve substantially from where they were in the first and second quarters with fee revenues increasing 27% in the second quarter of fiscal 2021



compared to the first quarter, 9% in the third quarter from the second quarter of fiscal 2021, and 17% in the fourth quarter from the third quarter of fiscal 2021 to \$555.2 million, and all lines of business contributing to the improvement of fee revenue. As such, no further restructuring actions were taken. With the sequential improvement in fee revenue and leveraging of the restructured cost base, the Company experienced better profitability each quarter sequentially during fiscal 2021. In the first quarter of fiscal 2021, the Company's results were better than anticipated, and the Company decided to pay all colleagues and Directors approximately 50% of the amount they gave up. In the second and third quarter of the Company's 2021 fiscal year, the Company made a decision to pay all colleagues their full salary and non-executive directors their full retainers. In the fourth quarter of fiscal 2021, the Company made a decision to repay all colleagues the remaining 50% of the first quarter salary reductions, with the exception of the Senior Leadership team and the Directors. Beginning on January 1, 2021 salaries of our employees were fully reinstated.

Throughout this fiscal year, we continued to innovate to support our clients' business needs to adapt and reconfigure strategy and talent to accelerate growth during a post-COVID-19. And, we have continued to make significant investments in our business that have strengthened our IP, enhanced our geographical presence, added complementary offerings to deepen client relationships, and broadened our capabilities. Our service delivery organizes around the Korn Ferry Potential Gap™, a model for helping clients understand how to identify and close gaps in workforce shaping, talent practices, organization design and culture to allow organizations to reach their full potential.

We file annual, quarterly and current reports, proxy statements and other documents with the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Our reports, proxy statements and other documents filed electronically with the SEC are available at the website maintained by the SEC at www.sec.gov.

We also make available, free of charge on the Investor Relations portion of our website at <http://ir.kornferry.com>, our annual, quarterly, and current reports, and, if applicable, amendments to those reports, filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such reports with, or furnish them to, the SEC at www.sec.gov.

In addition, we make available on the Investor Relations portion of our website at <http://ir.kornferry.com> press releases and related earnings presentations and other important information, which we encourage you to review.

Our Corporate Governance Guidelines, Code of Business Conduct and Ethics, and the charters of the Audit Committee, Compensation and Personnel Committee, and Nominating and Corporate Governance Committee of our Board of Directors are also posted on the Investor Relations portion of our website at <http://ir.kornferry.com>. Stockholders may request copies of these documents by writing to our Corporate Secretary at 1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067.

THE KORN FERRY OPPORTUNITY

With long overdue calls for social change, the pandemic, and a workforce that has been upended, it is clear that we will continue to experience more change over the next couple of years than we've seen in the past decade. Different work will need to get done—and work will need to get done differently. In this kind of environment in which ambiguity abounds, leaders will need to adjust, and companies will need to be agile, decisive, act and scale fast.

Aligned around our vision to be the preeminent organizational consulting firm, Korn Ferry has continued to innovate to support our clients' business needs to adapt to this new and evolving environment. We are pursuing an ambitious strategy that will help us focus relentlessly on clients and collaborate intensively across our organization. This approach builds on the best of our past and gives us a clear path to the future with focused initiatives to increase our client and commercial impact.

Korn Ferry is transforming how clients address their talent management needs. We have evolved from a mono-line business to a multi-faceted consultancy, giving our consultants more frequent and expanded opportunities to engage with clients. The expansion of our business into larger addressable markets offers higher growth potential and more durable and visible revenue streams.

While most organizations can develop a sound strategy, they often struggle with how to make it stick. We help companies design their organization—the structure, roles and responsibilities—to seize these opportunities. In addition, we help organizations select and hire the talent they need to execute their strategy—and show them the best way to compensate, develop and motivate their people.



We do this through our five core capabilities:

Core Capabilities

Organization Strategy	We map talent strategy to business strategy, designing operating models and organization structures that help companies put their plans into action.
Assessment and Succession	We identify the talent you need, compare that to the talent you have, and then help close those gaps.
Talent Acquisition	From executive search to recruitment process outsourcing ("RPO"), we help organizations attract and retain the right people across all functions, at every level.
Leadership and Professional Development	We develop leaders along every stage of their career journey with a spectrum of intensive high-touch and scalable high-tech development experiences.
Total Rewards	We help organizations pay their people fairly for doing the right things—with rewards they value—at a cost the organization can afford.

Integrated Market Offerings

Additionally, we deliver differentiated approaches for our clients through our integrated market offerings, which bring together our best thinking from across our core capabilities. These offerings, guided by an ever-changing business environment, target specific client needs and demonstrate Korn Ferry's competitive advantage and durability.

- **Workforce Transformation** - Post COVID-19, we anticipate that organizations will operate more virtually, communicate with workforces differently, consider deploying less contingent labor and will retrain and reskill workers to meet changing needs. Korn Ferry delivers successful workforce transformation by assessing the current organization – structure, culture, leadership, people performance – and benchmarking against the organization needed to meet the changes to drive real workforce transformation.
- **Diversity, Equity & Inclusion** - We help organizations build diverse and inclusive organizations, unlocking the power and potential of all their people, through a systematic approach to building inclusive organizations to deliver superior organization performance.
- **Accelerating Revenue Growth** – Today's selling environment is more complex with sales teams being challenged to deliver value. In order to do this, sellers need the right tools, training and approach to deliver success. Korn Ferry combines our technology and methodology to help organizations accelerate their revenue growth.
- **People Cost Optimization** - In this disruptive world, there can be increased pressure to cut costs and drive efficiency. We work with leaders to manage the key drivers of cost – organization, people, and rewards. We put in place strategies to help cost reductions stick, performance is maintained, and growth is achieved – making client organizations fit for the future.

From core through integrated, across our solution portfolio, we have the advantage of best-in-class solutions, products and talent, coupled with deep market expertise, to deliver a seamless approach to organization, talent and reward strategies. Our change management capabilities further support our clients, through the successful execution of their transformational strategies and the effective implementation of their people and culture programs.

OUR INTELLECTUAL PROPERTY AND TECHNOLOGY

We work across five capabilities all of which are fueled by robust IP, data and our digital suite of platforms and technology. Our capabilities are intended to cover the whole talent journey, each one thereby strengthening our work and thinking in the next. By bringing together our industry knowledge, methodology, measurements, and data insights, we can not only benchmark clients against the best but also help them make the changes necessary to achieve their optimal performance. We seek to offer a complete view of the talent they need and the talent they have. We endeavor to know if their rewards are fair and effective and we strive to align their structures, role profiles, and



people to support the strategy so that clients know where to focus their efforts to create lasting change in the organization.

The Korn Ferry Intelligence Cloud

At the core of our approach is deep IP, rich data, and research that informs smarter, more data-driven outcomes for our clients.

The Korn Ferry Intelligence Cloud uses descriptive and predicative analytics to provide insights and recommend actions, helping organizations enable business strategies through their talent.

With more than five billion total data points, including approximately 87 million assessment results, seven million employee engagement survey responses, and reward data for 25 million employees across over 26,000 organizations and more than 150 countries, our Intelligence Cloud fuels our services, solutions and products, bringing clients a research-based foundation to support their decision-making process.

The result is data-driven decisions to help clients speed up their business transformation — whether that is assessing and optimizing the talent they have, identifying the talent they want, or hiring the talent they need.

The Korn Ferry Institute

The Korn Ferry Institute, our research and analytics arm, develops robust research, innovative IP, and advanced analytics that enable Korn Ferry colleagues to engage clients and partner with people and organizations to activate their potential and be successful.

At the highest level, the Korn Ferry Institute is built on three core pillars:

1. **Robust Research and Thought Leadership** to anticipate and innovate: We explore trends and define leadership, human and organizational performance for a fast-changing economy. For example, our researchers recently identified the underlying drivers for organizational transformation highlighted in our high-impact Radically Human Transformation solution.
2. **Science-Based IP** to enable growth: We develop and measure what is required for success at work in the new economy. During the pandemic, we identified eight distinctive Personas to link assessment insights to scalable development journeys and optimize learning and resiliency.
3. **Client Advanced Analytics and Data Management** to generate insights: We integrate and build upon our datasets and external data using advanced modeling and artificial intelligence to produce predictive insights and deliver demonstrable client impact. Recent client projects include identifying levers for behavioral and structural inclusion (DE&I), predicting performance using KF assessment, engagement and pay data, and identifying capabilities that correlate most highly with organizational effectiveness and performance.

In the fiscal year ahead, we will continue to innovate, with the goal of driving even greater business and societal impact as we focus on leveraging neuroscience, bolstering climate change resiliency, leading in a network economy, building a diverse pipeline of inclusive, equitable organizations, and defining the future of leadership.

INDUSTRY TRENDS

The emergence of COVID-19 is an event of historic magnitude, with repercussions that will undoubtedly be felt for years. There is virtually no company or industry that has not been impacted by the crisis, forcing them to evolve their talent processes and find new ways to deliver customer value as they lead employees through this uncertainty and change. And, while the world battles this pandemic and the resulting adverse economic and humanitarian consequences, we are seeing an equally charged uprising in the United States over racial injustice driving an agenda for social equality. It's a challenging business environment, and organizations are increasingly turning to partners like Korn Ferry to synchronize their strategy with their talent as an answer to these pressing business challenges, specifically:

- Creating cultures of inclusion where diversity is intrinsically valued; where every individual can contribute fully.
- Pivoting from in-person/classroom delivery and training to a model where services and solutions are consumed virtually.
- Developing employee experience (EX) and communications programs to improve declining morale, leading employees through change to maintain employee engagement and purpose in post COVID-19 working environments.



- Managing the increased demand for career transition, outplacement and leadership coaching services as part of talent strategy and organizational change.
- Managing potential market volatility by optimizing cost in reward structures and workforce mix to sustain productivity.
- Achieving growth and cost synergies from M&A transactions without destroying employee engagement.
- Having the right people, mindsets and structures to achieve successful digital transformations.
- Accelerating revenue in the post COVID-19 economy through sales team transformation, sales force effectiveness training and an enhanced customer experience.
- Transitioning to the workforce of the future to address changes in work such as the need for greater agility and new roles being created by technology, plus changes to worker preferences such as remote working.
- Changing ingrained ways of thinking and building strategies that energize employees and drive performance in the face of disruptive change. Developing leaders, with unique needs, at all levels and delivering superior results, at scale.

In addition, we believe the following factors will have a long-term positive impact on our industry:

- Companies are actively in search of trusted advisors that can offer a full suite of organizational consulting products and solutions, to manage the multiple needs of their business on a global scale using a common language and technology platform.
- Over the next decade, demand for skilled workers will outstrip supply, resulting in a global talent shortage. Organizations must make talent strategy a key priority and take steps now to educate, train and upskill their existing workforces to attract and develop next generation talent, including adopting Gen Z into the workforce, embracing AI to increase hiring efficiencies and focusing on the need to recruit hard-to-find skill sets.
- Companies are increasingly leveraging big data and predictive analytics to measure the influence of activities across all aspects of their business, including their people. They expect their partners to deliver superior metrics and better ways of driving results.
- There is an increasing demand for professionals with not just the right experience, but also the right leadership competencies, traits and drivers to meet the requirements of the position and organizational culture today and prepare it for tomorrow.
- Executive management tenure continues to hover at historically low levels.
- The balance of power is shifting from the employer to the employee, as more people take charge of their own careers and the gig economy continues to grow in popularity.
- Companies are increasingly operating in an environment in which they are answerable not just to investors but also to the perceptions and expectations of employees and society and the subsequent need to align company culture around societal and purpose driven goals – Environmental, Social and Governance (ESG).
- Talent mobility is being recognized as a critical driver in the recruitment, development and retention of an organization's people, particularly their early career professionals.
- Succession planning remains under heightened scrutiny amidst pressure to generate growth, shorter C suites tenures and the emphasis being placed on making succession planning a systemic governance process within global organizations.
- Executive pay is under a perpetual spotlight, making it imperative that organizations get this right to ensure the public trust and establish a functional compensation strategy that starts right at the top and helps to drive retention and close the diversity pay gap.



- More companies are maintaining strategic focus by choosing to outsource non-core functions like talent acquisition to RPO providers who can offer efficient, high-quality services.

GROWTH STRATEGY

Our objective is to expand our position as the preeminent organizational consulting firm. In order to meet this objective, we will continue to pursue our multi-pronged strategy:

Drive a One Korn Ferry Go-to-Market Strategy

Our synergistic go-to-market strategy, bringing together our core solutions, is driving more integrated, scalable client relationships. This is evidenced by the fact that approximately 70% of our revenue comes from clients that have utilized multiple lines of our business. To better compete in the market, we will continue to evolve from our traditional line of business segmentation to integrated solutions along industry lines.

A pillar of our growth strategy is our Marquee and Regional Accounts program. This program drives significant global and regional strategic account development and provides a framework for all our client development activities as we successfully deepen client relationships. Our Marquee and Regional Accounts program now comprises approximately one-third of our global fee revenue. In the year ahead, we will continue to expand our account management activities. This includes driving consistent account selection, assignment, planning and execution; implementing account-based marketing; optimizing the pipeline and opportunity process; integrating our best thinking across solutions; and hiring additional dedicated account leaders. The success of this approach has now been extended to include a broader set of Regional Accounts to be serviced with this same attention and care.

Deliver Client Excellence and Innovation

Technology is positioned to reshape the future of work and with it, the workforce as we know it today. Market innovations contribute to more accurate, faster, cost-effective, and impactful business and human decisions. Our firm is uniquely positioned here. We have a set of assets that are critical to such decisions: deep science on organization and human motivation, data on talent, work and rewards, and proven products and solutions.

The scientists in our Korn Ferry Institute in partnership with the technologists in our Digital business are focusing on this future, developing new software-as-a-service ("SaaS")-based HR tech solutions. At the heart of this, is the new Korn Ferry Intelligence Cloud™, an integrated digital platform that brings together proprietary internal and external market data. This platform, powered by artificial intelligence, is trained by our more than 50 years of empirical data and feeds a suite of applications for recruiting, assessing, and advancing talent. These applications allow us to create meaningful impact across our clients' business, from organizational development and job profiling to selection, training, individual and team development, succession planning, M&A, DE&I, digital transformation and more. This SaaS model creates revenue durability and helps us generate wider and more long-term relationships with our clients through large scale and technology-based solutions. Digital, with its discrete capabilities, also enables us to engage businesses we might not have previously worked with when a comprehensive consulting solution was not required or cost was a barrier. We continue to seek ways to further scale these profitable products to our global clients.

Beyond our core business-to-business ("B2B") business, we continue our expansion into the consumer market. More than 120,000 consumers have registered and are using Korn Ferry Advance, our business-to-consumer offering, since it launched in the United States (the "U.S.") in July 2017. Korn Ferry Advance will continue to leverage cutting-edge technology as well as the greatest asset we have—our consultants. Korn Ferry Advance is also being used to deliver our Consulting business, primarily in leadership and professional development.

Create the Top-of-Mind Brand in Organizational Consulting

Along with our people and IP, the Korn Ferry brand is the strongest asset of the Company. Positioning Korn Ferry as the preeminent global organizational consultancy and demonstrating our ability to drive business performance through people remains the goal of our global marketing program.

We evolved our brand and value proposition post-COVID-19 to focus messaging on enabling people and organizations to exceed their potential by solving their biggest people challenges around performance, leadership, recruitment, culture, team, and development. The Korn Ferry Potential Gap is our One Korn Ferry story to help clients close the gap between where they are now and where they need to be – having the right talent, in the right roles, with the proper structure, to achieve sustainable growth.

The Korn Ferry brand is brought to market via two distinct channels: primarily through B2B and in the early stage of business-to-consumer ("B2C"). In both instances, we communicate key core values about what we do, expressing that we are 'more than' as well as inspiring action in the way our customers run their businesses and in the way that individuals approach their careers. We are executing against our strategy with these priorities in mind:



- **One Korn Ferry**—We will partner with internal and external stakeholders to advance a differentiated one Korn Ferry story and brand that minimizes operational risks, engages our employees, resonates in the broader market, and becomes a platform for differentiation and sustainable growth.
- **Generate Demand**—We will assess market trends, liaise with clients, and partner with internal stakeholders to develop a steady cadence of thought leadership-based campaigns, public relations and demand generation activities that engage clients and prospects in meaningful conversations.

Pursue Transformational Opportunities at the Intersection of Talent and Strategy

We have developed a core competency in identifying, acquiring and integrating M&A targets that have the potential to further our strategic objectives and enhance shareholder value. Our disciplined approach to M&A considers strategic alignment and cultural fit along with economics that deliver a return in excess of our cost of capital. M&A will continue to play a critical role in the ongoing evolution of Korn Ferry into an industry specialized, business outcomes-oriented solution provider at the intersection of talent and strategy. While we will continue to execute on our targeted organic growth pathways, M&A will be a vital component of our future growth and capital deployment strategies.

OUR ORGANIZATION

The Company's seven reportable segments operate through four lines of business: Consulting, Digital, Executive Search, and RPO & Professional Search. Consulting, Digital, and RPO & Professional Search are managed on a global basis with operations in North America, Europe, the Middle East and Africa ("EMEA"), Asia Pacific and Latin America. Our Executive Search business is managed and reported on a geographic basis across four regions and represents four of the Company's reportable segments: Executive Search North America, Executive Search EMEA, Executive Search Asia Pacific and Executive Search Latin America.

While our segments stand as separate operating units, they are united as we work in the service of our clients. Notably, the close alignment of our Consulting and Digital practices has enabled us to create integrated solutions that continue to drive larger projects with greater sustainability and more durable revenues.

Consulting

Overview—Korn Ferry helps clients design their organization—the structure, roles and responsibilities—and shows them the best way to develop, motivate and compensate their people. Our focus is on making change happen and helping people and organizations exceed their potential. Through our talented colleagues, robust solutions and IP, our consultants can help solve the most disruptive and challenging organizational and talent problems facing clients.

Our Consulting team is comprised of top leadership and organizational consultants and thought leaders, working in 82 cities in 49 countries. Our consultants are predominately recruited from local markets, so they are sensitive to local issues, but work together in global teams, resulting in larger opportunities with greater client and commercial impact. Within Consulting, we offer the following core capabilities:

Organizational Strategy: We map talent strategy to business strategy, designing operating models and organization structures that help companies put their plans into action.

Assessment and Succession: We identify the talent clients need, compare that to the talent they have, and then help close those gaps.

Leadership and Professional Development: We develop leaders along every stage of their career journey with a spectrum of intensive high-touch and scalable high-tech development experiences.

Total Rewards: We help organizations pay their people fairly for doing the right things—with rewards they value—at a cost the organization can afford.

These solutions are bundled into integrated market offerings (Workforce Transformation, DE&I, Accelerating Revenue Growth, People Cost Optimization) that include our IP and data and reflect our best thinking across our solutions, enabling us to develop innovative and differentiated approaches to our clients' most pressing business challenges.

We partner with some of the world's most admired organizations in the creation and execution of talent strategy. We accomplish this through consulting solutions that address how people work and show how to nurture them so that their strategies succeed. We capitalize on the breadth of our IP, service offerings and expertise to do what is right for the client—transforming ideas into actionable insights. Clients can depend on our solutions to be data backed, market tested and agile.

Client Base—During fiscal 2021, the Consulting segment partnered with approximately 4,500 clients across the globe and 27% of Consulting's fiscal 2021 fee revenue was referred from Korn Ferry's other lines of business. Our clients



come from the private, public, and not-for-profit sectors, across every major industry and represent diverse business challenges

Competition—The people and organizational consulting market is fragmented with different competitor sets for each of our core solutions. It is also extremely competitive, as companies are increasingly seeking ways to synchronize their strategy and talent to drive superior business performance. Our competitors include consulting organizations affiliated with accounting, insurance, information systems and strategy consulting firms. Although such firms are our largest competitors, we also compete with smaller boutique firms that specialize in specific regional, industry or functional aspects of leadership and HR consulting.

Digital

Overview—As the world changes, organizations need to be agile, decisive, and to act and scale fast. Korn Ferry Digital empowers leaders to reach their goals by optimizing the potential of their people.

The subscription-based platform that powers our Digital business combines our bank of employee data and Korn Ferry methodology to benchmark where individuals and teams are now, and then identifies the best structure, roles, capabilities and behaviors and rewards needed to drive organizational effectiveness. Digital delivers clear insight with the training and tools needed to align organizational structure with business strategy.

Our Digital solutions cover the talent journey:

- *Korn Ferry Assess*: our assessment solution helps clients understand, develop and leverage talent
- *Korn Ferry Listen*: customized employee engagement programs
- *Korn Ferry Pay*: market-leading compensation data and tools for employee rewards programs
- *Korn Ferry Recruit*: AI-enabled talent acquisition tools that streamline hiring
- *Korn Ferry Select*: our pre-hire assessment to help clients find and hire the best talent

Our Digital team is comprised of top leadership, organizational consultants and thought leaders, located in 67 cities in 47 countries. Our experts are predominately recruited from local markets, so they are sensitive to local issues, but work together in global teams, resulting in larger opportunities with greater client and commercial impact.

Client Base—During fiscal 2021, the Digital segment partnered with approximately 7,900 clients across the globe and 35% of Digital's fiscal 2021 fee revenue was referred from Korn Ferry's other lines of business. Our clients come from the private, public and not-for-profit sectors, across every major industry and represent diverse business challenges.

Competition—The competitor landscape is fragmented. We compete with specialist suppliers, boutique and large consulting companies in each solution area. One of our advantages is the way we have linked our data, IP, and our technology platform. This allows us to provide an end-to-end view of talent. We are able to show what success looks like across more than 4,000 roles, and our Success Profile model provides a holistic way to look at a job from multiple angles, providing connectivity from people to strategy.

Executive Search

Overview—Korn Ferry helps clients attract and hire leaders who fit with their organization and make it stand out. Our services are typically used to fill executive-level positions, such as board directors, chief executive officers, chief financial officers, chief operating officers, chief information officers, chief human resource officers and other senior executive officers.

All our reportable segments within the Executive Search business line provide services that concentrate on searches for positions with average annual cash compensation of \$360,000 or more, or comparable compensation in foreign locations. The industry is comprised of retained and contingency recruitment firms. Retained firms, such as Korn Ferry, typically charge a fee for their services equal to approximately one-third of the first-year annual cash compensation for the position being filled regardless of whether the position is filled. Contingency firms generally work on a non-exclusive basis and are compensated only upon successfully placing a recommended candidate.

As part of this retainment, we assemble a team of consultants with appropriate geographic, industry and functional expertise. We utilize a standardized and differentiated approach to placing talent that integrates our research-based IP with our practical experience. Our search consultants serve as management advisors who work closely with the client in identifying, assessing and placing qualified candidates. In fiscal 2021, we executed more than 5,400 new executive search assignments.

Industry Specialization—Consultants organized in six broad industry groups bring an in-depth understanding of the market conditions and strategic management issues faced by clients within their specific industries and geographies.



We are continually looking to expand our specialized expertise through internal development and strategic hiring in targeted growth areas.

Percentage of Fiscal 2021 Assignments Opened by Industry Specialization

Global Industries:

Industrial	29 %
Financial Services	21 %
Life Sciences/Healthcare Provider	19 %
Consumer	13 %
Technology	13 %

Regional Specialties (U.S.):

Education/Not-for-Profit	5 %
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Functional Expertise—We also have organized executive search centers of functional expertise, composed of consultants who have extensive backgrounds in placing executives in certain functions, such as board directors, CEOs and other senior executive officers. Our Board & CEO Services group, for example, focuses exclusively on placing CEOs and board directors in organizations around the world. This is a dedicated team from the most senior ranks of the firm. Their work is with CEOs and in the boardroom, and their expertise is in organizational leadership and governance. They conduct hundreds of engagements every year, tapping talent from every corner of the globe. This work spans all ranges of organizational scale and purpose. Members of functional groups are located throughout our regions and across our industry groups.

Percentage of Fiscal 2021 Assignments Opened by Functional Expertise

Board Level/CEO/CFO/Senior Executive and General Management	75 %
Finance and Control	7 %
Marketing and Sales	6 %
Information Systems	5 %
Manufacturing/Engineering/Research and Development/Technology	4 %
Human Resources and Administration	3 %

Regions

North America—In fiscal 2021, the region opened more than 2,500 new engagements with an average of almost 250 consultants.

EMEA—In fiscal 2021, the region opened more than 1,500 new engagements with an average of nearly 170 consultants.

Asia Pacific—In fiscal 2021, the region opened almost 1,000 new engagements with an average of almost 90 consultants.

Latin America—In fiscal 2021, the region opened more than 400 new engagements with an average of more than 35 consultants.

Client Base—Our more than 3,600 Search engagement clients in fiscal 2021 includemany of the world's largest and most prestigious public and private companies

Competition—In Executive Search, we compete with other global executive search firms (i.e. Egon Zehnder, Heidrick & Struggles International, Inc., Russell Reynolds Associates and Spencer Stuart). Although these firms are our largest competitors, we also compete with smaller boutique firms that specialize in specific regional, industry or functional searches. We believe our brand name, differentiated business model, systematic approach to client service, cutting-edge technology, unique IP, global network, prestigious clientele, strong specialty practices and high-caliber colleagues are recognized worldwide. We also believe our long-term incentive compensation arrangements, as well as other executive benefits, distinguish us from most of our competitors and are important in attracting and retaining our key consultants.

RPO & Professional Search

Overview—Korn Ferry combines people, process expertise and IP-enabled technology to deliver enterprise talent acquisition solutions to our clients. Our recruiting solutions have breadth, including all functional talent segments—IT, Marketing, R&D, Commercial Sales, HR, Healthcare, Supply Chain, Finance and Legal. We also have depth, with the ability to deliver transaction sizes ranging from single professional searches to team, department and line of business projects, and enterprise global professional recruiting solutions. Our global capabilities deliver 1-10,000 or more new hires to address our clients' employment needs.



RPO: In fiscal 2021, Korn Ferry was recognized as one of the top RPO providers in the Baker's Dozen list, marking our 14th consecutive year on the list. We were also named a leader on the Everest PEAK Matrix for four years running and achieved star performer status in 2021, with an improved leader position from 2020. Through decades of experience, we have enhanced our RPO solution to deliver quality candidates that drive our clients' business strategies. We leverage proprietary IP and data sets to guide clients on the critical skills and competencies to look for, compensation information to align with market demand, and assessment tools to ensure candidate fit. In fiscal 2021 we introduced Nimble, a new, fully integrated recruitment technology solution incorporating Candidate Relationship Management, AI Assistance & Screening and Korn Ferry Assessments.

We combine traditional recruitment expertise with a multi-tiered portfolio of talent acquisition solutions. Consultants, based in 33 countries, have access to our databases of pre-screened, mid-level professionals. Our global candidate pool complements our international presence and multi-channel sourcing strategy to provide speed, efficiency and quality service for clients worldwide.

Project Recruitment: We can deliver the same talent acquisition services as we would in an end-to-end RPO solution, but within a defined project start and end date. Our Project Recruitment solution is seamless and aligned with the client's broader talent acquisition strategy. Clients enjoy the same benefits around reduced time to hire, reduced cost per hire and improved candidate quality that they would with a full RPO solution, but via an on-demand model to manage short-term or specialized needs.

Professional Search: We are positioned to help organizations identify and attract professionals at the middle to upper levels of management in single-search engagements. We focus on:

INDUSTRIES:

- Consumer
- Financial Services
- Industrial
- Life Sciences/Healthcare
- Technology
- Education/Not-for-Profit/Government

FUNCTIONAL EXPERTISE:

- Finance & Accounting
- Human Resources
- Information Technology
- Sales, Marketing & Digital
- Supply Chain Management

Our innovative search process mirrors our Executive Search solution, offering access to active and passive candidate pools, the industry's richest data on salaries and employee engagement, and proprietary tools in Korn Ferry Digital. A wealth of assessment data defines the traits needed for success in each role we recruit and matches candidates against best-in-class profiles while also gauging cultural fit. Our newest offering, Korn Ferry Recruit, a nimble solution, provides a fully integrated end-to-end technology solution for high-volume hiring of repeatable roles.

Client Base—During fiscal 2021, the RPO & Professional Search segment partnered with more than 2,000 clients across the globe and 50% of RPO & Professional Search's fiscal 2021 fee revenue was referred from Korn Ferry's Consulting and Digital and all four reportable segments in the Executive Search line of business.

Competition—We primarily compete for RPO business with other global RPO providers and compete for search assignments with regional contingency recruitment firms and large national retained recruitment firms. We believe our competitive advantage is distinct. We are strategic, working with clients to hire best-fit candidates using our assessment IP, proprietary technology and professional recruiters. Our Talent Delivery Centers provide our teams with increased scalability, multilingual capabilities, global reach and functional specialization. We also work under the One Korn Ferry umbrella to help clients plan for their broader talent acquisition needs as part of their business strategy planning.

HUMAN CAPITAL

At Korn Ferry, talent truly matters. We believe it is how organizations succeed, opportunities arise and greatness happens. When people are in the right roles and engaged, ideas come to life, businesses grow and the leaders who will shape tomorrow emerge. We aim to continue making Korn Ferry a place that energizes, develops, rewards, and empowers people to pursue their passions and help our business succeed.

We operate in 101 offices in 53 countries, enabling us to deliver our solutions on a global basis, wherever our clients do business. As of April 30, 2021, we had 7,889 full-time employees, including 2,669 consultants and execution staff who are primarily responsible for originating client services. Of this, 1,527 were Executive Search employees consisting of 524 consultants and 1,003 associates, researchers, administrative and support staff. Our Consulting segment had 1,923 employees as of April 30, 2021, consisting of 1,565 consultants and execution staff and 358 associates, researchers, administrative and support staff. Our Digital segment had 1,200 employees as of April 30, 2021, consisting of 295 consultants and 905 associates, researchers, administrative and support staff. Our RPO & Professional Search segment had 3,071 employees as of April 30, 2021, consisting of 285 consultants and 2,786 administrative and support staff. Corporate had 168 professionals as of April 30, 2021. We are not party to a



collective bargaining agreement and consider our relations with our employees to be good. Korn Ferry is an equal opportunity employer.

We have assembled a wealth of talent that is rewarded based on performance. Our Company brings together a wide range of disciplines and professions—everything from academic research and technology development to executive recruiting, consulting, and business leadership. We are also a culturally diverse organization. Our people come from all over the world and speak a multitude of languages. For us, this diversity is a key source of strength. It means we have people who are able to challenge convention, offer unique perspectives, and generate innovative ideas. We are recognized by our clients and within the industry for our company culture and excellent work. Some highlights from fiscal 2021 include:

- Leader, Sales Training Service Providers (Gartner Magic Quadrant)
- Leader and Star Performer on the 2021 PEAK matrix (Everest)
- Pacesetter, Workforce Management Services (ALM Intelligence)
- Leader, Recruitment Process Outsourcing (RPO) (NelsonHall's Vendor Evaluation and Assessment (NEAT))
- America's Best Executive Recruiting Firm (Forbes Magazine)
- 2021 Perfect score 100 on Human Rights Campaign Foundation's Corporate Equality Index which measures equality for LGBTQ colleagues
- 2020 100 Best Companies for Moms (Working Mother)
- 2020 Best Companies for Dads (Working Mother)
- 2020+ Top Companies for Executive Women (Working Mother)
- Best Companies for Women (Women's Choice Award)

Our People

We continue to invest in building a world-class organization that is aligned to our strategy and is staffed by a skilled, motivated and agile workforce. We know our people are key to our business success. Key initiatives in this area include:

Safety and Well-Being

In response to the pandemic, we developed and implemented new practices designed to prioritize the health and safety of our employees and clients. In March of 2020, we halted travel, closed all offices and shifted to a work-from-home approach, reopening offices only when local governments deemed it safe and even then, required adherence to social distancing protocols, offered access to personal protective equipment, established occupancy limits, enhanced cleaning procedures and increased visibility and access to mental health and other wellness offerings.

Workplace and Culture

We work to foster a supportive, respectful culture where everyone feels valued for their contribution. It starts with our values of Inclusion, Honesty, Knowledge and Performance. Under these values, we seek to embrace people with different points of view. We say what we mean and do what we say. We hold ourselves to the highest standards and make it safe for people to speak out when they see something wrong. We actively help our colleagues grow, develop with mentoring and support and we never settle for the status quo. We always strive to be better today than we were yesterday and do our best for our clients, colleagues, and shareholders.

Diversity, Equity and Inclusion

Inclusion is intentionally the first of our four core values and a pillar of our firm. Our people come from all over the world and speak a multitude of languages. For us, this diversity is a key source of strength. It means we have people who are able to challenge convention, offer unique perspectives and generate innovative ideas. Equally important, it means we can think and act globally—just like our clients. In fiscal 2021, hundreds of our leaders worldwide participated in our Conscious Inclusion training program. This training is a part of a series of other firm-wide inclusion culture efforts to increase individual and team engagement and contribution.



Mentorship, Training and Career Development

We are focused on teaching and mentoring to support the career growth and success of our colleagues and believe these efforts have fostered stability and expertise in our workforce. Development happens broadly throughout the organization from formal mentoring using KF Advance, and direct training on our learning management platform, iAcademy, to a range of career and leadership programs such as our Mosaic program for diverse high-potentials, Leadership U PLUS for all Korn Ferry colleagues, a leadership development program for all interested colleagues, and Leadership U for Korn Ferry Plus, which supplements our core learning program with individual and group coaching. In fiscal 2021, we promoted more than 1,000 colleagues across our four lines of business and Corporate.

Benefits

We offer competitive benefits across the globe that are customized within each country we operate in based on market prevalence and cultural relevance. The Korn Ferry Cares benefits strategy focuses on keeping our colleagues and their families healthy – physically, emotionally, financially and socially. Our progressive benefit offerings in the U.S. helped us earn top recognitions as a best employer by Working Mother Magazine and the Human Rights Campaign.

Our Community

It's not just about our people, it's about all people. Korn Ferry supports philanthropic organizations and is actively engaged and dedicated to have a positive impact in the communities where we work and live. Our offices and colleagues worldwide take part in community services through a variety of organizations and programs. Not only do we proudly contribute financially to many organizations but we provide a work environment that is supportive of employees' opportunities to volunteer in their local communities.

In addition in 2020, we created the Korn Ferry Charitable Foundation, a 501(c)(3) non-profit organization. The Foundation's mission is to have real impact by helping people exceed their potential; whether that is in the boardroom, the classroom or their living room. The first major initiative of the Foundation is Leadership U for Humanity. This initiative seeks to help underrepresented populations strengthen their leadership skills and enhance their careers through personalized one-on-one coaching, leadership development training and leveraging other Korn Ferry intellectual property.

Volunteering in our Communities

We are committed to making a difference in our communities and the world. We proudly contribute financially to organizations and causes that we believe will significantly impact the greater good. We believe that donating our time, talent and resources is equally as important. So, we provide a work environment that gives our employees opportunities to volunteer in local communities. Our offices and colleagues worldwide take part in community service through a variety of organizations and programs.

Item 1A. Risk Factors

The discussion below describes the material factors, events, and uncertainties that make an investment in our securities risky, and these risk factors should be considered carefully together with all other information in this Annual Report, including the financial statements and notes thereto. It does not address all of the risks that we face, and additional risks not presently known to us or that we currently deem immaterial may also arise and impair our business operations. Our business, financial condition or results of operations could be materially adversely affected by the occurrence of any of these risks.

Risks Related to Our Business

We face various risks related to health epidemics, pandemics, and similar outbreaks, such as COVID-19. COVID-19 has been negatively impacting the operations and financial performance of many of the clients we serve. The ultimate magnitude of COVID-19 and of any future pandemics or similar outbreaks will depend on a variety of factors, including its duration, related restrictions and operational requirements that apply to our business and the businesses of our clients, and the state of the global economy, the full extent of which cannot be predicted at this time.

Our business and financial results have been, and could be in the future, adversely affected by health epidemics, pandemics, and similar outbreaks. The COVID-19 pandemic has caused, and is expected to continue to cause, a global slowdown in economic activity, a decrease in demand for a broad variety of goods and services, disruptions in global supply chains, and significant volatility and disruption of financial markets. Because the severity, magnitude and duration of the pandemic and its economic consequences are uncertain, vary by region, are rapidly changing and difficult to predict, its full impact on our operations and financial performance, as well as its impact on our near-term ability to successfully execute our strategic objectives, remains similarly uncertain and difficult to predict. Further, the pandemic's ultimate impact depends in part on many factors not within our control and which may vary by region.



(heightening the uncertainty as to the ultimate impact COVID-19 may have on our operations and financial performance), including (1) restrictive governmental and business actions (including travel restrictions, work from home requirements, and other workforce limitations), (2) economic stimulus, funding and relief programs and other governmental economic responses, (3) the effectiveness of governmental actions, (4) economic uncertainty in key global markets and financial market volatility, (5) levels of economic contraction or growth, (6) the impact of the pandemic on health and safety, (7) the pace of recovery if and when the pandemic subsides, including the rollout of vaccines, and (8) how significantly the number of cases increases as economies begin to open up and the restrictive governmental and business actions referred to above are relaxed.

Further, the COVID-19 pandemic has subjected our operations and financial performance to a number of risks, including those discussed below, which may also re-occur in any future pandemic:

- Operations-related risks: Across all of our businesses, we are facing increased operational challenges including a heightened need to protect employee health and safety, office shutdowns, workplace disruptions, cybersecurity risks, and restrictions on the movement of people, both at our own offices and at those of our clients and our suppliers. In addition, as we start to re-open offices in certain jurisdictions, we face additional employee health and safety concerns.
- Client-related risks: Our clients have been and will be disrupted by quarantines, fluctuations in their financial condition, and restrictions on employees' ability to work and office closures. Such disruptions have and may continue to restrict our ability to provide products and services to our clients (or for clients to pay for such products and services) and have also and may continue to reduce demand for our products and services.
- Employee-related risks: We have experienced and will experience disruptions to our operations resulting from quarantines, self-isolations, or other movement and restrictions on the ability of our employees to perform their jobs that may impact our ability to deliver our products and services in a timely manner or meet milestones or customer commitments.
- Liquidity- and funding-related risks: A prolonged period of generating lower revenue could adversely affect our cash flow and liquidity. Conditions in the financial and credit markets may also limit our ability to draw on our revolving credit line, as well as the availability of additional funding or increase the cost of funding, if it were to become necessary.

Our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability.

Should we experience a disaster or other business continuity problem, such as an earthquake, hurricane, terrorist attack, security breach, power loss, telecommunications failure or other natural or man-made disaster, our continued success will depend, in part, on the availability of our personnel, our office facilities, and the proper functioning of our computer, telecommunication and other related systems and operations. In such an event, we could experience near-term operational challenges with regard to particular areas of our operations. In particular, our ability to recover from any disaster or other business continuity problem will depend on our ability to protect our technology infrastructure against damage from business continuity events that could have a significant disruptive effect on our operations. For example, much of our corporate staff are based in California, which has a high level of risk from wildfires and earthquakes. The impacts of climate change may heighten or exacerbate the occurrence of such events. We could potentially lose client data or experience material adverse interruptions to our operations or delivery of services to our clients in a disaster. A disaster on a significant scale or affecting certain of our key operating areas within or across regions, or our inability to successfully recover should we experience a disaster, pandemic or other business continuity problem, could materially interrupt our business operations and cause material financial loss, loss of human capital, regulatory actions, reputational harm, damaged client relationships or legal liability.

We are limited in our ability to recruit candidates from certain of our clients due to off-limit agreements with those clients and for client relation and marketing purposes; such limitations could harm our business.

Either by agreement with clients, or for client relations or marketing purposes, we are required to or elect to refrain from, for a specified period of time, recruiting candidates from a client when conducting searches on behalf of other clients. These off-limit agreements can cause us to lose search opportunities to our competition. The duration and scope of the off-limit agreement, including whether it covers all operations of the client and its affiliates or only certain divisions of a client, generally are subject to negotiation or internal policies and may depend on factors such as the scope, size and complexity of the client's business, the length of the client relationship and the frequency with which we have been engaged to perform executive and professional searches for the client. We cannot ensure that off-limit agreements will not impede our growth or our ability to attract and serve new clients, or otherwise harm our business.



We face significant competition: competition in our industries could result in lost market share, reduced demand for our services, and/or require us to charge lower prices for our services, which could adversely affect our operating results and future growth

We continue to face significant competition to each of our services and product offerings. The human resource consulting market has been traditionally fragmented and a number of large consulting firms, such as McKinsey, Willis Towers Watson and Deloitte are building businesses in human resource consulting to serve these needs. Our consulting business line has and continues to face competition from human resource consulting businesses. Many of these competitors are significantly larger than Korn Ferry and have considerable resources at their disposal, allowing for potentially significant investment to grow their human resource consulting business. Digital Products in the human resource market has been traditionally fragmented and a number of firms such as AON, Mercer, Willis Towers Watson, SHL, Fuel 50, SkillSoft, Criteria, Predictive Index, Prevue Hire and Textio offer competitive products. Competitors in the digital marketplace are a combination of large, well-capitalized firms and niche players who have received multiple rounds of private financing. Increased competition, whether as a result of professional and social networking website providers, traditional executive search firms, sole proprietors and in-house human resource professionals (as noted above) or larger consulting firms building human resources consulting businesses, may lead to pricing pressures that could negatively impact our business. For example, increased competition could require us to charge lower prices, and/or cause us to lose market share, each of which could reduce our fee revenue.

Our executive search services face competition from both traditional and non-traditional competitors that provide job placement services, including other large global executive search firms, smaller specialty firms and web-based firms. In recent years, we have also begun facing increased competition from sole proprietors and in-house human resource professionals whose ability to provide job placement services has been enhanced by professional profiles made available on the internet and enhanced social media-based search tools. The continued growth of the shared economy and related freelancing platform sites may also negatively impact demand for our services by allowing employers seeking services to connect with employees in real time and without any significant cost. Traditional executive search competitors include Egon Zehnder, Heidrick & Struggles International, Inc., Russell Reynolds Associates and Spencer Stuart. In each of our markets, one or more of our competitors may possess greater resources, greater name recognition, lower overhead or other costs and longer operating histories than we do, which may give them an advantage in obtaining future clients, capitalizing on new technology and attracting qualified professionals in these markets. Additionally, specialty firms can focus on regional or functional markets or on particular industries and executive search firms that have a smaller client base are subject to fewer off-limits arrangements. There are no extensive barriers to entry into the executive search industry and new recruiting firms continue to enter the market.

We believe the continuing development and increased availability of information technology will continue to attract new competitors, especially web-enabled professional and social networking website providers, and these providers may be facilitating a company's ability to insource their recruiting capabilities. Competitors in these fields include SmashFly, iCIMS, Yello, Indeed, Google for Jobs and Jobvite. As these providers continue to evolve, they may develop offerings similar to or more expansive than ours, thereby increasing competition for our services or more broadly causing disruption in the executive search industry. Further, as technology continues to develop and the shared economy continues to grow, we expect that the use of freelancing platform sites will become more prevalent. As a result, companies may turn to such sites for their talent needs, which could negatively impact demand for the services we offer.

Our RPO & Professional Search services primarily compete for business with other RPO providers such as Cielo, Alexander Mann Solutions, IBM, Allegis and Kelly Services, and compete for mid-level professional search assignments with regional contingency recruitment firms and large national retained recruitment firms such as Robert Half, Michael Page, Harvey Nash and the Lucas Group. In addition, some organizations have developed or may develop internal solutions to address talent acquisition that may be competitive with our solutions. This is a highly competitive and developing industry with numerous specialists. To compete successfully and achieve our growth targets for our talent acquisition business, we must continue to support and develop assessment and analytics solutions, maintain and grow our proprietary database, deliver demonstrable return on investment to clients, support our products and services globally, and continue to provide consulting and training to support our assessment products. Our failure to compete effectively could adversely affect our operating results and future growth.

Failure to attract and retain qualified and experienced consultants, could result in a loss of clients which in turn could cause a decline in our revenue and harm to our business.

We compete with other executive and professional search and consulting firms for qualified and experienced consultants. These other firms may be able to offer greater compensation and benefits or more attractive lifestyle choices, career paths or geographic locations than we do. Attracting and retaining consultants in our industry is particularly important because, generally, a small number of consultants have primary responsibility for a client relationship. Because client responsibility is so concentrated, the loss of key consultants may lead to the loss of client



relationships. In fiscal 2021, our top three consultants in Executive Search (including all four reportable regional segments) and in our Consulting segment had generated business equal to approximately 1% and 2% of our total fee revenues, respectively. Furthermore, our top ten consultants in Executive Search (including all four reportable regional segments) and in our Consulting segment had generated business equal to approximately 3% and 4% of our total fee revenues, respectively. This risk is heightened due to the general portability of a consultant's business: consultants have in the past, and will in the future, terminate their employment with our Company. Any decrease in the quality of our reputation, reduction in our compensation levels relative to our peers or restructuring of our compensation program, whether as a result of insufficient revenue, a decline in the market price of our common stock or for any other reason, could impair our ability to retain existing consultants or attract additional qualified consultants with the requisite experience, skills and established client relationships. Our failure to retain our most productive consultants, whether in Executive Search, Consulting, Digital or RPO & Professional Search, or maintain the quality of service to which our clients are accustomed, as well as the ability of a departing consultant to move business to his or her new employer, could result in a loss of clients, which could in turn cause our fee revenue to decline and our business to be harmed. We may also lose clients if the departing Executive Search, Consulting, Digital or RPO & Professional Search consultant has widespread name recognition or a reputation as a specialist in his or her line of business in a specific industry or management function. We could also lose additional consultants if they choose to join the departing Executive Search, Consulting, Digital or RPO & Professional Search consultant at another executive search or consulting firm. Failing to limit departing consultants from moving business or recruiting our consultants to a competitor could adversely affect our business, financial condition and results of operations.

Failing to maintain our professional reputation and the goodwill associated with our brand name could seriously harm our business.

We depend on our overall reputation and brand name recognition to secure new engagements and to hire qualified professionals. Our success also depends on the individual reputations of our professionals. We obtain a majority of our new engagements from existing clients or from referrals by those clients. Any client who is dissatisfied with our services can adversely affect our ability to secure new engagements. If any factor, including poor performance or negative publicity, whether or not true, hurts our reputation, we may experience difficulties in competing successfully for both new engagements and qualified consultants, which could seriously harm our business.

As we develop new services, clients and practices, enter new lines of business, and focus more of our business on providing a full range of client solutions, the demands on our business and our operating and legal risks may increase.

As part of our corporate strategy, we are attempting to leverage our research and consulting services to sell a full range of services across the life cycle of a policy, program, project or initiative, and we are regularly searching for ways to provide new services to clients. This strategy, even if effectively executed, may prove insufficient in light of changes in market conditions, technology, competitive pressures or other external factors. In addition, we plan to extend our services to new clients and into new lines of business and geographic locations. As we focus on developing new services, clients, practice areas and lines of business; open new offices; and engage in business in new geographic locations, our operations are exposed to additional as well as enhanced risks.

In particular, our growth efforts place substantial additional demands on our management and staff, as well as on our information, financial, administrative and operational systems. We may not be able to manage these demands successfully. Growth may require increased recruiting efforts, opening new offices, increased business development, selling, marketing and other actions that are expensive and entail increased risk. We may need to invest more in our people and systems, controls, compliance efforts, policies and procedures than we anticipate. Therefore, even if we do grow, the demands on our people and systems, controls, compliance efforts, policies and procedures may exceed the benefits of such growth, and our operating results may suffer, at least in the short-term, and perhaps in the long-term.

Efforts involving a different focus and/or new services, clients, practice areas, lines of business, offices and geographic locations entail inherent risks associated with our inexperience and competition from mature participants in those areas. Our inexperience may result in costly decisions that could harm our profit and operating results. In particular, new or improved services often relate to the development, implementation and improvement of critical infrastructure or operating systems that our clients may view as "mission critical," and if we fail to satisfy the needs of our clients in providing these services, our clients could incur significant costs and losses for which they could seek compensation from us. As our business continues to evolve and we provide a wider range of services, we will become increasingly dependent upon our employees, particularly those operating in business environments less familiar to us. Failure to identify, hire, train and retain talented employees who share our values could have a negative effect on our reputation and our business.



We are subject to potential legal liability from clients, employees, candidates for employment, stockholders and others. Insurance coverage may not be available to cover all of our potential liability and available coverage may not be sufficient to cover all claims that we may incur.

We are exposed to potential claims with respect to the executive search process and our consulting services, among numerous other matters. For example, a client could assert a claim for matters such as breach of an off-limit agreement or recommending a candidate who subsequently proves to be unsuitable for the position filled. Further, the current employer of a candidate whom we placed could file a claim against us alleging interference with an employment contract; a candidate could assert an action against us for failure to maintain the confidentiality of the candidate's employment search; and a candidate or employee could assert an action against us for alleged discrimination, violations of labor and employment law or other matters. Also, in various countries, we are subject to data protection, employment and other laws impacting the processing of candidate information and other regulatory requirements that could give rise to liabilities/claims. Client dissatisfaction with the consulting services provided by our consultants may also lead to claims against us.

Additionally, as part of our consulting services, we often send a team of leadership consultants to our clients' workplaces. Such consultants generally have access to client information systems and confidential information. An inherent risk of such activity includes possible claims of misuse or misappropriation of client IP, confidential information, funds or other property, as well as harassment, criminal activity, torts, or other claims. Such claims may result in negative publicity, injunctive relief, criminal investigations and/or charges, payment by us of monetary damages or fines, or other material adverse effects on our business.

From time to time, we may also be subject to legal actions or claims brought by our stockholders, including securities, derivative and class actions, for a variety of matters related to our operations, such as significant business transactions, cybersecurity incidents, volatility in our stock, and our responses to stockholder activism, among others. Such actions or claims and their resolution may result in defense costs, as well as settlements, fines or judgments against us, some of which are not, or cannot be, covered by insurance. The payment of any such costs, settlements, fines or judgments that are not insured could have a material adverse effect on our business. In addition, such matters may affect the availability or cost of some of our insurance coverage, which could adversely impact our results of operations and expose us to increased risks that would be uninsured.

We cannot ensure that our insurance will cover all claims or that insurance coverage will be available at economically acceptable rates. Our ability to obtain insurance, its coverage levels, deductibles and premiums, are all dependent on market factors, our loss history and insurers' perception of our overall risk profile. Our insurance may also require us to meet a deductible. Significant uninsured liabilities could have a material adverse effect on our business, financial condition and results of operations.

We are subject to numerous and varied government regulations across the jurisdictions in which we operate.

Our business is subject to various federal, state, local, and foreign laws and regulations that are complex, change frequently and may become more stringent over time. Future legislation, regulatory changes or policy shifts under the new U.S. administration or other governments, could impact our business. Our failure to comply with applicable laws and regulations could restrict our ability to provide certain services or result in the imposition of fines and penalties, substantial regulatory and compliance costs, litigation expense, adverse publicity, and loss of revenue. We incur, and expect to continue to incur, significant expenses in our attempt to comply with these laws, and our businesses are also subject to an increasing degree of compliance oversight by regulators and by our clients. In addition, our Digital services and increasing use of technology in our business expose us to data privacy and cybersecurity laws and regulations that vary and are evolving across jurisdictions. These and other laws and regulations, as well as laws and regulations in the various states or in other countries, could limit our ability to pursue business opportunities we might otherwise consider engaging in, impose additional costs or restrictions on us, result in significant loss of revenue, impact the value of assets we hold, or otherwise significantly adversely affect our business. Any failure by us to comply with applicable laws or regulations could also result in significant liability to us from private legal actions, or may result in the cessation of our operations or portions of our operations or impositions of fines and restrictions on our ability to carry on or expand our operations. Our operations could also be negatively affected by changes to laws and regulations and enhanced regulatory oversight of our clients and us. These changes may compel us to change our prices, may restrict our ability to implement price increases, and may limit the manner in which we conduct our business or otherwise may have a negative impact on our ability to generate revenues, earnings, and cash flows. If we are unable to adapt our products and services to conform to the new laws and regulations, or if these laws and regulations have a negative impact on our clients, we may experience client losses or increased operating costs, and our business and results of operations could be negatively affected.

Our business and operations are impacted by developing laws and regulations, as well as evolving investor and customer expectations with regard to environmental matters, including the impacts and actions needed to address climate change.



We are subject to evolving local, state, federal and/or international laws, regulations, and expectations regarding the environment and climate change. These requirements and expectations may increase the time and cost of our efforts to monitor and comply with those obligations; limit the extent, frequency, and modality with which our consultants travel; and expose us to liability. Within our own operations, we face additional costs from rising energy costs which make it more expensive to power our corporate offices.

The impacts of climate change present notable risks, including damage to assets and technology caused by extreme weather events linked to climate change.

Risks Related To Our Profitability

We may not be able to align our cost structure with our revenue level, which in turn may require additional financing in the future that may not be available at all or may be available only on unfavorable terms.

Our efforts to align our cost structure with the current realities of our markets may not be successful. When actual or projected fee revenues are negatively impacted by weakening customer demand, we have and may again find it necessary to take cost cutting measures so that we can minimize the impact on our profitability. In fiscal 2020, due to the decrease in fee revenue as a result of COVID-19 and, as part of a broader program aimed at further enhancing our strong balance sheet and liquidity position, the Company developed and implemented a plan that was intended to adjust our cost base to the then-current economic environment and to position us to invest in the recovery. This plan included (i) a reduction in workforce, which was completed by the end of the first quarter of fiscal 2021 and resulted in restructuring charges of \$40.5 million and \$30.7 million associated with severance during fiscal 2020 and 2021, respectively, (ii) the temporary furlough of certain employees, (iii) subject to certain exceptions and legal requirements, salary reductions across the organization through December 31, 2020, and (iv) other cost saving measures relating to general and administrative expenses. Failing to maintain a balance between our cost structure and our revenue could adversely affect our business, financial condition, and results of operations and lead to negative cash flows, which in turn might require us to obtain additional financing to meet our capital needs. If we are unable to secure such additional financing on favorable terms, or at all, our ability to fund our operations could be impaired, which could have a material adverse effect on our results of operations.

Our financial results could suffer if we are unable to achieve or maintain adequate utilization and suitable billing rates for our consultants.

Our profitability depends, to a large extent, on the utilization and billing rates of our professionals. Utilization of our professionals is affected by a number of factors, including: the number and size of client engagements; the timing of the commencement, completion and termination of engagements (for example, the commencement or termination of multiple RPO engagements could have a significant impact on our business, including significant fluctuations in our fee revenue, since these types of engagements are generally larger, in terms of both staffing and fee revenue generated, than our other engagements); our ability to transition our consultants efficiently from completed engagements to new engagements; the hiring of additional consultants because there is generally a transition period for new consultants that results in a temporary drop in our utilization rate; unanticipated changes in the scope of client engagements; our ability to forecast demand for our services and thereby maintain an appropriate level of consultants; and conditions affecting the industries in which we practice, as well as general economic conditions.

The billing rates of our consultants that we are able to charge are also affected by a number of factors, including: our clients' perception of our ability to add value through our services; the market demand for the services we provide, which may vary globally or within particular industries that we serve; an increase in the number of clients in the government sector in the industries we serve; the introduction of new services by us or our competitors; our competition and the pricing policies of our competitors; and current economic conditions.

If we are unable to achieve and maintain adequate overall utilization, as well as maintain or increase the billing rates for our consultants, our financial results could materially suffer. In addition, our consultants often times perform services at the physical locations of our clients. Natural disasters, pandemics, disruptions to travel and transportation or problems with communications systems negatively impact our ability to perform services for, and interact with, our clients at their physical locations, which could have an adverse effect on our business and results of operations.

The profitability of our fixed-fee engagements with clients may not meet our expectations if we underestimate the cost of these engagements when pricing them.

When making proposals for fixed-fee engagements, we estimate the costs and timing for completing the engagements and these estimates may not be accurate. Any increased or unexpected costs or unanticipated delays in connection with the performance of fixed-fee engagements, including delays caused by factors outside our control, could make these contracts less profitable or unprofitable, which would have an adverse effect on our profit margin. For the years ended April 30, 2021, 2020, and 2019, fixed-fee engagements represented 26%, 25%, and 27% of our revenues, respectively.



Risks Related To Accounting and Taxation

Foreign currency exchange rate risks affect our results of operations.

A material portion of our revenue and expenses are generated by our operations in foreign countries, and we expect that our foreign operations will account for a material portion of our revenue and expenses in the future. Most of our international expenses and revenue are denominated in foreign currencies. As a result, our financial results are affected by changes in foreign currency exchange rates or weak economic conditions in foreign markets in which we have operations, among other factors. Fluctuations in the value of those currencies in relation to the U.S. dollar have caused and will continue to cause dollar-translated amounts to vary from one period to another. Such variations expose us to both adverse as well as beneficial movements in currency exchange rates. Given the volatility of exchange rates, we are not always able to manage effectively our currency translation or transaction risks, which has and may continue to adversely affect our financial condition and results of operations.

We have deferred tax assets that we may not be able to use under certain circumstances.

If we are unable to generate sufficient future taxable income in certain jurisdictions, or if there is a significant change in the time period within which the underlying temporary differences become taxable or deductible, we could be required to increase our valuation allowances against our deferred tax assets. This would result in an increase in our effective tax rate, and an adverse effect on our future operating results. In addition, changes in statutory tax rates may also change our deferred tax assets or liability balances, with either a favorable or unfavorable impact on our effective tax rate. Our deferred tax assets may also be impacted by new legislation or regulation.

Risks Related to Our Financing/Indebtedness

Our indebtedness could adversely affect our financial condition, our ability to operate our business, react to changes in the economy or our industry, prevent us from fulfilling our obligations under our indebtedness and could divert our cash flow from operations for debt payments.

As of April 30, 2021, we had approximately \$400.0 million in total indebtedness outstanding, and \$646.0 million of availability under our \$650.0 million five-year senior secured revolving credit facility (the “Revolver”) provided for under our Credit Agreement (the “Credit Agreement”) that we entered into on December 16, 2019, with a syndicate of banks and Bank of America, National Association as administrative agent. Subject to the limits contained in the Credit Agreement that govern our Revolver and the indenture governing our \$400.0 million principal amount of the 4.625% Senior Unsecured Notes due 2027 (the “Notes”), we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisition, or for other purposes. If we do so, the risks related to our debt could increase.

Specifically, our level of debt could have important consequences to us, including the following: it may be difficult for us to satisfy our obligations, including debt service requirements under our outstanding debt; our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions or other general corporate purposes may be impaired; requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, including the Notes, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures, future business opportunities and other purposes; we are more vulnerable to economic downturns and adverse industry conditions and our flexibility to plan for, or react to, changes in our business or industry is more limited; our ability to capitalize on business opportunities and to react to competitive pressures, as compared to our competitors, may be compromised due to our high level of debt and the restrictive covenants in the Credit Agreement and the indenture governing our Notes; our ability to borrow additional funds or to refinance debt may be limited; COVID-19 could impact our ability to draw on the revolver or result in a credit downgrade; and it may cause potential or existing customers to not contract with us due to concerns over our ability to meet our financial obligations, such as insuring against our professional liability risks, under such contracts.

Furthermore, our debt under our Revolver bears interest at variable rates.

Despite our indebtedness levels, we and our subsidiaries may still incur substantially more debt, which could further exacerbate the risks associated with our substantial leverage.

We and our subsidiaries may incur substantial additional indebtedness in the future. The Credit Agreement and the indenture governing our Notes contain restrictions on the incurrence of additional indebtedness, but these restrictions are subject to several qualifications and exceptions, and the indebtedness that may be incurred in compliance with these restrictions could be substantial. If we incur additional debt, the risks associated with our leverage, including those described above, would increase. Further, the restrictions in the indenture governing the Notes and the Credit Agreement will not prevent us from incurring obligations, such as trade payables, that do not constitute indebtedness as defined in such debt instruments. As of April 30, 2021, we had \$646.0 million of availability to incur additional secured indebtedness under our Revolver.



Our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly.

Interest rates fluctuate. As a result, interest rates on the Revolver or other variable rate debt offerings could be higher or lower than current levels. If interest rates increase, our debt service obligations on our variable rate indebtedness, if any, would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease. In addition, a transition away from the London Interbank Offered Rate ("LIBOR") as a benchmark for establishing the applicable interest rate may affect the cost of servicing our debt under the Revolver. In July 2017, the Financial Conduct Authority of the U.K. announced that it plans to phase out LIBOR by the end of calendar year 2021. On March 5, 2021, however, the ICE Benchmark Administration (the "IBA"), the administrator of LIBOR, announced its intention to cease the publication of all settings of non-U.S. dollar LIBOR and only the one-week and two-month U.S. dollar LIBOR settings on December 31, 2021, with the publication of the remaining U.S. dollar LIBOR settings being discontinued after June 30, 2023. It is unclear if LIBOR will cease to exist at that time or if new methods of calculating LIBOR will be established. Our borrowing arrangements provide for alternative base rates, but such alternative base rates may or may not be related to LIBOR, and the consequences of the phase out of LIBOR cannot be entirely predicted at this time. For example, if any alternative base rate or means of calculating interest with respect to our outstanding variable rate indebtedness leads to an increase in the interest rates charged, it could result in an increase in the cost of such indebtedness, impact our ability to refinance some or all of our existing indebtedness or otherwise have a material adverse impact on our business, financial condition and results of operations.

We may be unable to service our indebtedness.

Our ability to make scheduled payments on and to refinance our indebtedness depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors, all of which are beyond our control, including the availability of financing in the international banking and capital markets. Lower total revenue generally will reduce our cash flow. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to service our debt, to refinance our debt or to fund our other liquidity needs.

If we are unable to meet our debt service obligations or to fund our other liquidity needs, we will need to restructure or refinance all or a portion of our debt, which could cause us to default on our debt obligations and impair our liquidity. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants that could further restrict our business operations.

Moreover, in the event of a default, the holders of our indebtedness, including the Notes, could elect to declare all the funds borrowed to be due and payable, together with accrued and unpaid interest, if any. The lenders under the Revolver could also elect to terminate their commitments thereunder, cease making further loans, and institute foreclosure proceedings against their collateral, and we could be forced into bankruptcy or liquidation. If we breach our covenants under the Revolver, we would be in default thereunder. The lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

The agreements governing our debt impose significant operating and financial restrictions on us and our subsidiaries, which may prevent us from capitalizing on business opportunities.

The Credit Agreement and the indenture governing the Notes impose significant operating and financial restrictions on us. These restrictions limit our ability and the ability of our subsidiaries to, among other things: incur or guarantee additional debt or issue capital stock; pay dividends and make other distributions on, or redeem or repurchase, capital stock; make certain investments; incur certain liens; enter into transactions with affiliates; merge or consolidate; enter into agreements that restrict the ability of subsidiaries to make dividends, distributions or other payments to us or the guarantors; in the case of the indenture governing our Notes, designate restricted subsidiaries as unrestricted subsidiaries; and transfer or sell assets.

We and our subsidiaries are subject to covenants, representations and warranties in respect of the Revolver, including financial covenants as defined in the Credit Agreement. See "Note 11 – Long-Term Debt" of our notes to our consolidated financial statements included in this Annual Report on Form 10-K.

As a result of these restrictions, we are limited as to how we conduct our business, and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot assure you that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and/or amend the covenants.

Our failure to comply with the restrictive covenants described above and/or the terms of any future indebtedness from



time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms or cannot refinance these borrowings, our results of operations and financial condition could be adversely affected.

A decline in our operating results or available cash could cause us to experience difficulties in complying with covenants contained in more than one agreement, which could result in our bankruptcy or liquidation.

If we sustain a decline in our operating results or available cash, we could experience difficulties in complying with the financial covenants contained in the Credit Agreement. The failure to comply with such covenants could result in an event of default under the Revolver and by reason of cross-acceleration or cross-default provisions, other indebtedness may then become immediately due and payable. In addition, should an event of default occur, the lenders under our Revolver could elect to terminate their commitments thereunder, cease making loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to obtain waivers from the lenders under our Revolver to avoid being in default. If we breach our covenants under our Revolver and seek a waiver, we may not be able to obtain a waiver from the lenders thereunder. If this occurs, we would be in default under our Revolver, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

Risks Related to Technology, Cybersecurity and Intellectual Property

Social media platforms present risks and challenges that can cause damage to our brand and reputation.

The inappropriate and/or unauthorized use of social media platforms, including weblogs (or blogs), social media websites and other forms of Internet-based communications, which allow individuals access to a broad audience of consumers and other interested persons by our clients or employees could increase our costs, cause damage to our brand, lead to litigation or result in information leakage, including the improper collection and/or dissemination of personally identifiable information of candidates and clients. In addition, negative or inaccurate posts or comments about us on any social networking platforms could damage our reputation, brand image and goodwill.

Technological advances may significantly disrupt the labor market and weaken demand for human capital at a rapid rate.

Our success is directly dependent on our customers' demands for talent. As technology continues to evolve, more tasks currently performed by people have been and may continue to be replaced by automation, robotics, machine learning, artificial intelligence and other technological advances outside of our control. The human resource industry has been and continues to be impacted by significant technological changes, enabling companies to offer services competitive with ours. Many of those technological changes may (i) reduce demand for our services, (ii) enable the development of competitive products or services, or (iii) enable our current customers to reduce or bypass the use of our services, particularly in lower-skill job categories. Additionally, rapid changes in artificial intelligence and block chain-based technology are increasing the competitiveness landscape. We may not be successful in anticipating or responding to these changes and demand for our services could be further reduced by advanced technologies being deployed by our competitors. The effort to gain technological expertise and develop new technologies in our business may require us to incur significant expenses. In some cases, we depend on key vendors and partners to provide technology and other support. If these third parties fail to perform their obligations or cease to work with us, our ability to execute on our strategic initiatives could be adversely affected.

We have invested in specialized technology and other IP for which we may fail to fully recover our investment, or which may become obsolete.

We have invested in developing specialized technology and IP, including proprietary systems, processes and methodologies, such as Korn Ferry Advance and Talent Hub, that we believe provide us a competitive advantage in serving our current clients and winning new engagements. Many of our service and product offerings rely on specialized technology or IP that is subject to rapid change, and to the extent that this technology and IP is rendered obsolete and of no further use to us or our clients, our ability to continue offering these services, and grow our revenues, has been and may continue to be adversely affected. There is no assurance that we will be able to develop new, innovative or improved technology or IP or that our technology and IP will effectively compete with the IP developed by our competitors. If we are unable to develop new technology and IP or if our competitors develop better technology or IP, our revenues and results of operations could be adversely affected.

We rely heavily on our information systems, and if we lose that technology, or fail to further develop our technology, our business could be harmed.

Our success depends in large part upon our ability to store, retrieve, process, manage and protect substantial amounts of information. To achieve our strategic objectives and to remain competitive, we must continue to develop and enhance our information systems. This may require the acquisition of equipment and software and the development of new proprietary software, either internally or through independent consultants. If we are unable to design, develop, implement and utilize, in a cost-effective manner, information systems that provide the capabilities necessary for us to compete effectively, or for any reason any interruption or loss of our information processing



capabilities occurs, this could harm our business, results of operations and financial condition. We cannot be sure that our current insurance against the effects of a disaster regarding our information technology or our disaster recovery procedures will continue to be available at reasonable prices, cover all our losses or compensate us for the possible loss of clients occurring during any period that we are unable to provide business services.

We are subject to risk as it relates to software that we license from third parties.

We license software from third parties, much of which is integral to our systems and our business. The licenses are generally terminable if we breach our obligations under the license agreements. If any of these relationships were terminated or if any of these parties were to cease doing business or cease to support the applications we currently utilize, we may be forced to spend significant time and money to replace the licensed software. However, we cannot assure you that the necessary replacements will be available on reasonable terms, if at all.

We are dependent on third parties for the execution of certain critical functions.

We do not maintain all of our technology infrastructure, and we have outsourced certain other critical applications or business processes to external providers, including cloud-based services. The failure or inability to perform on the part of one or more of these critical suppliers or partners could cause significant disruptions and increased costs. We are also dependent on security measures that some of our third-party vendors and customers are taking to protect their own systems and infrastructures. If our third-party vendors do not maintain adequate security measures, do not require their sub-contractors to maintain adequate security measures, do not perform as anticipated and in accordance with contractual requirements, or become targets of cyber-attacks, we may experience operational difficulties and increased costs, which could materially and adversely affect our business.

Cyber security vulnerabilities and incidents have and may again lead to the improper disclosure of information obtained from our clients, candidates and employees, which could result in liability and harm to our reputation.

We use information technology and other computer resources to carry out operational and marketing activities and to maintain our business records. We rely on information technology systems to process, transmit, and store electronic information and to communicate among our locations around the world and with our clients, partners, and employees. The breadth and complexity of this infrastructure increases the risk of security breaches which could lead to potential unauthorized disclosure of confidential information. Reliance on trained professionals to configure and operate this infrastructure creates the potential for human error, leading to potential exposure of sensitive or confidential information.

Our systems and networks are vulnerable to computer viruses, malware, worms, hackers and other security issues, including physical and electronic break-ins, router disruption, sabotage or espionage, disruptions from unauthorized access and tampering (including through social engineering such as phishing attacks), impersonation of authorized users and coordinated denial-of-service attacks. For example, in the past we have experienced cyber security incidents resulting from unauthorized access to our systems, which to date have not had a material impact on our business or results of operations; however, there is no assurance that such impacts will not be material in the future.

The continued occurrence of high-profile data breaches against various entities and organizations provides evidence of an external environment that is increasingly hostile to information security. This environment demands that we continuously improve our design and coordination of security controls across our business groups and geographies in order to protect information that we develop or that is obtained from our clients, candidates and employees. Despite these efforts, given the ongoing and increasingly sophisticated attempts to access the information of entities, our security controls over this information, our training of employees, and other practices we follow have not and may not prevent the improper disclosure of such information. Our efforts and the costs incurred to bolster our security against attacks cannot provide absolute assurance that future data breaches will not occur. We depend on our overall reputation and brand name recognition to secure new engagements. Perceptions that we do not adequately protect the privacy of information could inhibit attaining new engagements, qualified consultants and could potentially damage currently existing client relationships.

Data security, data privacy and data protection laws, such as the European Union General Data Protection Regulation ("GDPR"), and other evolving regulations and cross-border data transfer restrictions, may limit the use of our services, increase our costs and adversely affect our business.

We are subject to numerous U.S. and foreign jurisdiction laws and regulations designed to protect client, colleague, supplier and company data, such as the GDPR, which became effective in May 2018, and requires companies to meet stringent requirements regarding the handling of personal data, including its use, protection and transfer and the ability of persons whose data is stored to correct or delete such data about themselves. Complying with the enhanced obligations imposed by the GDPR has resulted and may continue to result in additional costs to our business and has required and may further require us to amend certain of our business practices. Failure to meet the GDPR requirements could result in significant penalties, including fines up to 4% of annual worldwide revenue. The GDPR also confers a private right of action on certain individuals and associations.

Laws and regulations in this area are evolving and generally becoming more stringent. For example, the New York State Department of Financial Services has issued cybersecurity regulations that outline a variety of required security measures for protection of data. Some U.S. states, including California, have also enacted cybersecurity laws requiring certain security measures of regulated entities that are broadly similar to GDPR requirements, such as the



California Consumer Privacy Act and California Privacy Rights Act, and we expect that other states will continue to do so. As these laws continue to evolve, we may be required to make changes to our services, solutions and/or products so as to enable the Company and/or our clients to meet the new legal requirements, including by taking on more onerous obligations in our contracts, limiting our storage, transfer and processing of data and, in some cases, limiting our service and/or solution offerings in certain locations. Changes in these laws, or the interpretation and application thereof, may also increase our potential exposure through significantly higher potential penalties for non-compliance. The costs of compliance with, and other burdens imposed by, such laws and regulations and client demand in this area may limit the use of, or demand for, our services, solutions and/or products, make it more difficult and costly to meet client expectations, or lead to significant fines, penalties or liabilities for noncompliance, any of which could adversely affect our business, financial condition, and results of operations.

In addition, due to the uncertainty and potentially conflicting interpretations of these laws, it is possible that such laws and regulations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Any failure or perceived failure by us to comply with applicable laws or satisfactorily protect personal information could result in governmental enforcement actions, litigation, or negative publicity, any of which could inhibit sales of our services, solutions and/or products.

Further, enforcement actions and investigations by regulatory authorities related to data security incidents and privacy violations continue to increase. It is possible that future enactment of more restrictive laws, rules or regulations and/or future enforcement actions or investigations could have an adverse impact on us through increased costs or restrictions on our businesses and noncompliance could result in regulatory penalties and significant legal liability.

Risks Related to Acquisitions

Acquisitions, or our inability to effect acquisitions, may have an adverse effect on our business.

We have completed several strategic acquisitions of businesses in the last several years, including our acquisition of Miller Heiman Group, AchieveForum and Strategy Execution in fiscal 2020 and Hay Group in fiscal 2016. Targeted acquisitions have been and continue to be part of our growth strategy, and we may in the future selectively acquire businesses that are complementary to our existing service offerings. However, we cannot be certain that we will be able to continue to identify appropriate acquisition candidates or acquire them on satisfactory terms. Our ability to consummate such acquisitions on satisfactory terms will depend on the extent to which acquisition opportunities become available; our success in bidding for the opportunities that do become available; negotiating terms that we believe are reasonable; and regulatory approval, if required.

Our ability to make strategic acquisitions may also be conditioned on our ability to fund such acquisitions through the incurrence of debt or the issuance of equity. Our Credit Agreement limits us from consummating acquisitions unless we are in pro forma compliance with our financial covenants, and our pro forma domestic liquidity after giving effect to the acquisition is at least \$50.0 million, and certain other conditions are met. If we are required to incur substantial indebtedness in connection with an acquisition, and the results of the acquisition are not favorable, the increased indebtedness could decrease the value of our equity. In addition, if we need to issue additional equity to consummate an acquisition, doing so would cause dilution to existing stockholders.

If we are unable to make strategic acquisitions, or the acquisitions we do make are not on terms favorable to us or not effected in a timely manner, it may impede the growth of our business, which could adversely impact our profitability and our stock price.

As a result of our acquisitions, we have substantial amounts of goodwill and intangible assets, and changes in business conditions could cause these assets to become impaired, requiring write-downs that would adversely affect our operating results.

All of our acquisitions have been accounted for as purchases and involved purchase prices well in excess of tangible asset values, resulting in the creation of a significant amount of goodwill and other intangible assets. As of April 30, 2021, goodwill and purchased intangibles accounted for approximately 21% and 3%, respectively, of our total assets. Under U.S. generally accepted accounting principles ("GAAP"), we do not amortize goodwill and intangible assets acquired in a purchase business combination that are determined to have indefinite useful lives, but instead review them annually (or more frequently, if impairment indicators arise) for impairment. In fiscal 2019, the Company began to offer substantially all of the Company's current products and services using the "Korn Ferry" name, branding and trademarks, and has sunset substantially all sub-brands, including Futurestep, Hay Group and Lominger, among others. The Hay Group and Lominger brands came to the Company through acquisitions and, in connection with the accounting for those acquisitions, \$106.6 million of the purchase price was allocated to indefinite lived tradename intangible assets. On June 12, 2018, the Company concluded that as a result of the decision to discontinue the use of such sub-brands in the near term, the Company was required under U.S. GAAP to record in the first quarter of fiscal 2019 a one-time, non-cash intangible asset impairment charge of \$106.6 million. The discontinuation of such brands could adversely affect our business. Further, future events or changes in circumstances that result in an impairment of goodwill or other intangible assets would have a negative impact on our profitability and operating results.



An impairment in the carrying value of goodwill and other intangible assets could negatively impact our consolidated results of operations and net worth.

Goodwill is initially recorded as the excess of amounts paid over the fair value of net assets acquired. While goodwill is not amortized, it is reviewed for impairment at least annually or more frequently, if impairment indicators are present. In assessing the carrying value of goodwill, we make qualitative and quantitative assumptions and estimates about revenues, operating margins, growth rates and discount rates based on our business plans, economic projections, anticipated future cash flows and marketplace data. There are inherent uncertainties related to these factors and management's judgment in applying these factors. Goodwill valuations have been calculated using an income approach based on the present value of future cash flows of each reporting unit and a market approach. We could be required to evaluate the carrying value of goodwill prior to the annual assessment if we experience unexpected, significant declines in operating results or sustained market capitalization declines. These types of events and the resulting analyses could result in goodwill impairment charges in the future. Impairment charges, such as the impairment charge that we recorded in the first quarter of fiscal 2019 related to the discontinuation of the Hay Group and Lominger brands, could substantially affect our results of operations and net worth in the periods of such charges.

Risks Related to Global Operations

We are a cyclical company whose performance is tied to local and global economic conditions.

Demand for our services is affected by global economic conditions and the general level of economic activity in the geographic regions and industries in which we operate. When conditions in the global economy, including the credit markets deteriorate, or economic activity slows, many companies hire fewer permanent employees and some companies, as a cost-saving measure, choose to rely on their own human resources departments rather than third-party search firms to find talent, and under these conditions, companies have cut back on human resource initiatives, all of which negatively affects our financial condition and results of operations. We also experience more competitive pricing pressure during periods of economic decline. If the geopolitical uncertainties result in a reduction in business confidence, when the national or global economy or credit market conditions in general deteriorate, the unemployment rate increases or any changes occur in U.S. trade policy (including any increases in tariffs that result in a trade war), such uncertainty or changes put negative pressure on demand for our services and our pricing, resulting in lower cash flows and a negative effect on our business, financial condition and results of operations. In addition, some of our clients experience reduced access to credit and lower revenues, resulting in their inability to meet their payment obligations to us.

We face risks associated with social and political instability, legal requirements and economic conditions in our international operations.

We operate in 53 countries and, during the year ended April 30, 2021, generated 54% of our fee revenue from operations outside of the U.S. We are exposed to the risk of changes in social, political, legal and economic conditions inherent in international operations. Examples of risks inherent in transacting business worldwide that we are exposed to include:

- changes in and compliance with applicable laws and regulatory requirements, including U.S. laws affecting the activities of U.S. companies abroad, including the Foreign Corrupt Practices Act of 1977 and sanctions programs administered by the U.S. Department of the Treasury Office of Foreign Assets Control, and similar foreign laws such as the U.K. Bribery Act, as well as the fact that many countries have legal systems, local laws and trade practices that are unsettled and evolving, and/or commercial laws that are vague and/or inconsistently applied;
- difficulties in staffing and managing global operations, which could impact our ability to maintain an effective system of internal control;
- difficulties in building and maintaining a competitive presence in existing and new markets;
- social, economic and political instability;
- differences in cultures and business practices;
- statutory equity requirements;
- differences in accounting and reporting requirements;



- repatriation controls;
- differences in labor and market conditions;
- potential adverse tax consequences;
- multiple regulations concerning immigration, pay rates, benefits, vacation, statutory holiday pay, workers' compensation, union membership, termination pay, the termination of employment, and other employment laws; and
- the introduction of greater uncertainty with respect to trade policies, tariffs, disputes or disruptions, the termination or suspension of treaties, boycotts and government regulation affecting trade between the U.S. and other countries.

One or more of these factors has and may in the future harm our business, financial condition or results of operations.

The United Kingdom's withdrawal from the E.U. may adversely impact our operations in the United Kingdom and elsewhere.

In fiscal 2021, 10.5% of our fee revenue was recognized in the U.K. In 2020, the U.K. left the E.U. and reached an agreement with the E.U. regarding their future relationship. The political and economic instability created by the United Kingdom's exit from the EU has caused and may continue to cause significant volatility in global financial markets and uncertainty regarding the regulation of data protection in the U.K. In addition, we could be adversely impacted by changes in trade policies, immigration laws and employment laws, tax or other laws and regulations, IP rights and supply chain logistics. We may incur additional costs as it addresses any such changes. All or any one of these factors could adversely affect our business, revenue, financial condition and results of operations.

The interest rates under our Credit Agreement may be impacted by the phase-out of LIBOR.

LIBOR is the basic rate of interest used in lending between banks on the London interbank market and is widely used as a reference for setting the interest rates on loans globally. We generally use LIBOR as a reference rate to calculate interest rates under our credit facility. In July 2017, the U.K.'s Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021. On March 5, 2021, however, the ICE Benchmark Administration (the "IBA"), the administrator of LIBOR, announced its intention to cease the publication of all settings of non-U.S. dollar LIBOR and only the one-week and two-month U.S. dollar LIBOR settings on December 31, 2021, with the publication of the remaining U.S. dollar LIBOR settings being discontinued after June 30, 2023. It is unclear if LIBOR will cease to exist at that time or if new methods of calculating LIBOR will be established. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S. dollar LIBOR with a new index, the Secured Overnight Financing Rate ("SOFR"), calculated using short-term repurchase agreements backed by U.S. Treasury securities. Whether or not SOFR, or another alternative reference rate, attains market traction as a LIBOR replacement tool remains in question. If LIBOR ceases to exist, we may need to amend our Credit Agreement to replace LIBOR with an agreed upon replacement index, and certain of the interest rates under our Credit Agreement may change. The new rates may not be as favorable to us as those in effect prior to any LIBOR phase-out.

Risks Related to our Dividend Policy

You may not receive the level of dividends provided for in the dividend policy our Board of Directors has adopted or any dividends at all.

We are not obligated to pay dividends on our common stock. Despite our history of paying dividends, the declaration and payment of all future dividends to holders of our common stock are subject to the discretion of our Board of Directors, which may amend, revoke or suspend our dividend policy at any time and for any reason, including earnings, capital requirements, financial conditions and other factors our Board of Directors may deem relevant. The terms of our indebtedness may also restrict us from paying cash dividends on our common stock under certain circumstances. See below "Our ability to pay dividends is restricted by agreements governing our debt, including our Credit Agreement and the indenture governing our Notes, and by Delaware law."

Over time, our capital and other cash needs may change significantly from our current needs, which could affect whether we pay dividends and the level of any dividends we may pay in the future. If we were to use borrowings under our Revolver to fund our payment of dividends, we would have less cash and/or borrowing capacity available for future dividends and other purposes, which could negatively affect our financial condition, our results of operations, our liquidity and our ability to maintain and expand our business. Accordingly, you may not receive dividends in the intended amounts, or at all. Any reduction or elimination of dividends may negatively affect the market price of our common stock.



Our ability to pay dividends is restricted by agreements governing our debt, including our Credit Agreement and indenture governing our Notes, and by Delaware law.

Both our Credit Agreement and the indenture governing our Notes restrict our ability to pay dividends. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources,” where we describe the terms of our indebtedness, including provisions limiting our ability to declare and pay dividends. As a result of such restrictions, we may be limited in our ability to pay dividends unless we redeem our Notes and amend our Credit Agreement or otherwise obtain a waiver from our lenders. In addition, as a result of general economic conditions, conditions in the lending markets, the results of our business or for any other reason, we may elect or be required to amend or refinance our Revolver, at or prior to maturity, or enter into additional agreements for indebtedness. Any such amendment, refinancing or additional agreement may contain covenants that could limit in a significant manner or entirely our ability to pay dividends to you. Additionally, under the Delaware General Corporation Law (“DGCL”), our Board of Directors may not authorize payment of a dividend unless it is either paid out of surplus, as calculated in accordance with the DGCL, or if we do not have a surplus, out of net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. If, as a result of these restrictions, we are required to reduce or eliminate the payment of dividends, a decline in the market price or liquidity, or both, of our common stock could result. This may in turn result in losses by you.

Our dividend policy may limit our ability to pursue growth opportunities.

If we pay dividends at the level currently anticipated under our dividend policy, we may not retain a sufficient amount of cash to finance growth opportunities, meet any large unanticipated liquidity requirements or fund our operations in the event of a significant business downturn. In addition, because a portion of cash available will be distributed to holders of our common stock under our dividend policy, our ability to pursue any material expansion of our business, including through acquisitions, increased capital spending or other increases of our expenditures, will depend more than it otherwise would on our ability to obtain third party financing. We cannot assure you that such financing will be available to us at all, or at an acceptable cost. If we are unable to take timely advantage of growth opportunities, our future financial condition and competitive position may be harmed, which in turn may adversely affect the market price of our common stock.

Risks Related to our Stockholders

We have provisions that make an acquisition of us more difficult and expensive.

Anti-takeover provisions in our Certificate of Incorporation, our Bylaws and under Delaware law make it more difficult and expensive for us to be acquired in a transaction that is not approved by our Board of Directors. Some of the provisions in our Certificate of Incorporation and Bylaws include: limitations on stockholder actions; advance notification requirements for director nominations and actions to be taken at stockholder meetings; and the ability to issue one or more series of preferred stock by action of our Board of Directors.

These provisions could discourage an acquisition attempt or other transaction in which stockholders could receive a premium over the current market price for the common stock.

General Risk Factors

Failing to retain our executive officers and key personnel or integrate new members of our senior management who are critical to our business may prevent us from successfully managing our business in the future.

Our future success depends upon the continued service of our executive officers and other key management personnel. Competition for qualified personnel is intense, and we may compete with other companies that have greater financial and other resources than we do. If we lose the services of one or more of our executives or key employees, or if one or more of them decides to join a competitor or otherwise compete directly or indirectly with us, or if we are unable to integrate new members of our senior management who are critical to our business, we may not be able to successfully manage our business or achieve our business objectives.

Changes in our accounting estimates and assumptions and other financial and nonfinancial reporting standard could negatively affect our financial position and results of operations.

We prepare our consolidated financial statements in accordance with U.S. GAAP. These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of our financial statements. We are also required to make certain judgments that affect the reported amounts of revenues and expenses during each reporting period. We periodically evaluate our estimates and assumptions, including those relating to revenue recognition, restructuring, deferred compensation, goodwill and other intangible assets, contingent consideration, annual performance-related bonuses, allowance for doubtful accounts, share-based payments and deferred income taxes. Actual results could differ from the estimates we make based on historical experience and various assumptions believed to be reasonable based on specific circumstances, and changes in accounting standards could have an adverse impact on our future financial position and results of operations.



As we endeavor to align with the recommendations of the Sustainability Accounting Standards Board and other standards or materiality assessments related to ESG matters, we have expanded, and may in the future continue to expand, our disclosures in these areas. A failure to accurately report or achieve progress on metrics, targets, or goals on a timely basis or at all could also have an adverse impact on our financial position, reputation, business, and growth.

Unfavorable tax laws, tax law changes and tax authority rulings may adversely affect results.

We are subject to income taxes in the U.S. and in various foreign jurisdictions. Domestic and international tax liabilities are subject to the allocation of income among various tax jurisdictions. Our effective tax rate could be adversely affected by changes in the mix of earnings among countries with differing statutory tax rates or changes in tax laws. The amount of our income taxes and other taxes are subject to ongoing audits by U.S. federal, state and local tax authorities and by non-U.S. authorities. If these audits result in assessments different from estimated amounts recorded, future financial results may include unfavorable tax adjustments.

Future changes in tax laws, treaties or regulations, and their interpretations or enforcement, may be unpredictable, particularly as taxing jurisdictions face an increasing number of political, budgetary and other fiscal challenges. Tax rates in the jurisdictions in which we operate may change as a result of macroeconomic and other factors outside of our control, making it increasingly difficult for multinational corporations like ourselves to operate with certainty about taxation in many jurisdictions. As a result, we have been and may again be materially adversely affected by future changes in tax law or policy (or in their interpretation or enforcement) in the jurisdictions where we operate, including the U.S., which could have a material adverse effect on our business, cash flow, results of operations, financial condition, as well as our effective income tax rate.

Limited protection of our IP could harm our business, and we face the risk that our services or products may infringe upon the IP rights of others.

We cannot guarantee that trade secrets, trademark and copyright law protections are adequate to deter misappropriation of our IP (which has become an important part of our business). Existing laws of some countries in which we provide services or products may offer only limited protection of our IP rights. Redressing infringements may consume significant management time and financial resources. Also, we cannot detect all unauthorized use of our IP and take the necessary steps to enforce our rights, which may have a material adverse impact on our business, financial condition or results of operations. We cannot be sure that our services and products, or the products of others that we offer to our clients, do not infringe on the IP rights of third parties, and we may have infringement claims asserted against us or our clients. These claims may harm our reputation, result in financial liability and prevent us from offering some services or products.

We may not be able to successfully integrate or realize the expected benefits from our acquisitions.

Our future success depends in part on our ability to complete the integration of acquisition targets successfully into our operations. The process of integrating an acquired business subjects us to a number of risks, including:

- diversion of management attention;
- amortization of intangible assets, adversely affecting our reported results of operations;
- inability to retain and/or integrate the management, key personnel and other employees of the acquired business;
- inability to properly integrate businesses resulting in operating inefficiencies;
- inability to establish uniform standards, disclosure controls and procedures, internal control over financial reporting and other systems, procedures and policies in a timely manner;
- inability to retain the acquired company's clients;
- exposure to legal claims for activities of the acquired business prior to acquisition; and
- incurrence of additional expenses in connection with the integration process.

If our acquisitions are not successfully integrated, our business, financial condition and results of operations, as well as our professional reputation, could be materially adversely affected.



Further, we cannot assure you that acquisitions will result in the financial, operational or other benefits that we anticipate. Some acquisitions may not be immediately accretive to earnings and some expansion may result in significant expenditures.

Businesses we acquire may have liabilities or adverse operating issues that could harm our operating results.

Businesses we acquire may have liabilities or adverse operating issues, or both, that we either fail to discover through due diligence or underestimate prior to the consummation of the acquisition. These liabilities and/or issues may include the acquired business' failure to comply with, or other violations of, applicable laws, rules or regulations or contractual or other obligations or liabilities. As the successor owner, we may be financially responsible for, and may suffer harm to our reputation or otherwise be adversely affected by, such liabilities and/or issues. An acquired business also may have problems with internal controls over financial reporting, which could in turn cause us to have significant deficiencies or material weaknesses in our own internal controls over financial reporting. These and any other costs, liabilities, issues, and/or disruptions associated with any past or future acquisitions, and the related integration, could harm our operating results.

We may be subject to the actions of activist stockholders, which could disrupt our business.

We value constructive input from investors and regularly engage in dialogue with our stockholders regarding strategy and performance. Activist stockholders who disagree with the composition of the Board of Directors, our strategy or the way the Company is managed may seek to effect change through various strategies and channels, such as through commencing a proxy contest, making public statements critical of our performance or business or engaging in other similar activities. Responding to stockholder activism can be costly and time-consuming, disrupt our operations, and divert the attention of management and our employees from our strategic initiatives. Activist campaigns can create perceived uncertainties as to our future direction, strategy, or leadership and may result in the loss of potential business opportunities, harm our ability to attract new employees, investors, and customers, and cause our stock price to experience periods of volatility or stagnation.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

Our corporate office is in Los Angeles, California. We lease our corporate office and all 101 of our offices located in North America, EMEA, Asia Pacific and Latin America, all of which are used by all of our business segments. As of April 30, 2021, we leased an aggregate of approximately 1.3 million square feet of office space. The leases generally have remaining terms of 1 to 11 years and contain customary terms and conditions. We believe that our facilities are adequate for our current needs, and we do not anticipate any significant difficulty replacing such facilities or locating additional facilities to accommodate any future growth.

Item 3. Legal Proceedings

From time to time, we are involved in litigation both as a plaintiff and a defendant, relating to claims arising out of our operations. As of the date of this report, we are not engaged in any legal proceedings that are expected, individually or in the aggregate, to have a material adverse effect on our business, financial condition or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

Information about our Executive Officers

Name	Age as of April 30, 2021	Position
Gary D. Burnison	60	President and Chief Executive Officer
Robert P. Rozek	60	Executive Vice President, Chief Financial Officer and Chief Corporate Officer
Mark Arian	60	Chief Executive Officer, Consulting
Byrne Mulrooney	60	Chief Executive Officer, RPO Professional Search & Digital

Our executive officers serve at the discretion of our Board of Directors. There is no family relationship between any executive officer or director. The following information sets forth the business experience for at least the past five years for each of our executive officers.

Gary D. Burnison has been 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, and Chief Operating Officer from November 2003 until June 30, 2007. Prior to joining Korn Ferry, Mr. Burnison was Principal



and Chief Financial Officer of Guidance Solutions, a privately held consulting firm, from 1999 to 2001. Prior to that, he served as an executive officer and a member of the board of directors of Jefferies and Company, Inc., the principal operating subsidiary of Jefferies Group, Inc. from 1995 to 1999. Earlier, Mr. Burnison was a Partner at KPMG Peat Marwick. Mr. Burnison earned a bachelor's degree in business administration from the University of Southern California.

Robert P. Rozek joined the Company in February 2012 as our Executive Vice President and Chief Financial Officer and, in December 2015, also became our Chief Corporate Officer. Prior to joining Korn Ferry, he served as Executive Vice President and Chief Financial Officer of Cushman & Wakefield, Inc., a privately held commercial real estate services firm, from June 2008 to February 2012. Prior to joining Cushman & Wakefield, Inc., Mr. Rozek served as Senior Vice President and Chief Financial Officer of Las Vegas Sands Corp., a leading global developer of destination properties (integrated resorts) that feature premium accommodations, world-class gaming and entertainment, convention and exhibition facilities and many other amenities, from 2006 to 2008. Prior to that, Mr. Rozek held senior leadership positions at Eastman Kodak, and spent five years as a Partner with PricewaterhouseCoopers LLP. Mr. Rozek is a graduate of Canisius College in New York with a bachelor's degree in accounting.

Mark Arian joined the Company as Chief Executive Officer of Korn Ferry's Advisory segment in April 2017 and is now the Chief Executive Officer of Consulting. Prior to Korn Ferry, Mr. Arian served as a Managing Principal at Ernst & Young LLP, a multinational professional services firm that provides audit, tax, business risk, technology and security risk services, and human capital services worldwide, from March 2014 until March of 2017. In that capacity, he led the People Advisory Services—Financial Services Sector, and his responsibilities included commercial, people and key account leadership. Between 2008 and 2014, Mr. Arian held various leadership positions at AON and AON Hewitt, a provider of insurance, reinsurance, human capital and management consulting services, serving as an Executive Vice President and leading its strategic Mergers and Acquisitions ("M&A") and business transformation offering globally. Mr. Arian has also held various leadership positions at Towers Perrin (now Willis Towers Watson) including serving as the Global M&A and Global Change Management leader, and Hewitt Associates, where Mr. Arian built and led the Corporate Restructuring and Change Practice. Mr. Arian is a graduate of Duke University and holds a juris doctorate from Columbia University.

Byrne Mulrooney joined the Company in April 2010 as Chief Executive Officer of RPO & Professional Search and in March 2017 also became the Chief Executive Officer of Digital. Prior to joining Korn Ferry, he was President and Chief Operating Officer of Flynn Transportation Services, a third-party logistics company, from 2007 to 2010. Prior to that, he led Spherion's workforce solutions business in North America, which provides workforce solutions in professional services and general staffing, including recruitment process outsourcing and managed services, from 2003 to 2007. Mr. Mulrooney held executive positions for almost 20 years at EDS and IBM in client services, sales, marketing and operations. Mr. Mulrooney is a graduate of Villanova University in Pennsylvania. He holds a master's degree in management from Northwestern University's J.L. Kellogg Graduate School of Management.



PART II.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Stock

Our common stock is listed on the New York Stock Exchange under the symbol 'KFY'. On June 22, 2021, there were approximately 23,128 stockholders of record of the Company's common stock.

Performance Graph

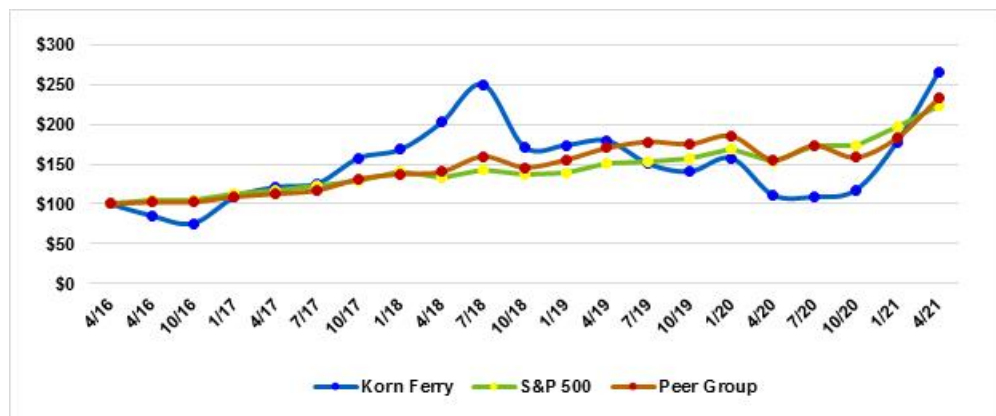
We have presented below a graph comparing the cumulative total stockholder return of the Company's shares with the cumulative total stockholder return on (1) the Standard & Poor's 500 Stock Index and (2) a company-established peer group. Cumulative total return for each of the periods shown in the performance graph is measured assuming an initial investment of \$100 on April 30, 2016 and the reinvestment of any dividends paid by the Company and any company in the peer group on the date the dividends were paid.

Our peer group is comprised of a broad number of publicly traded companies, which are principally or in significant part involved in either professional staffing or consulting. The peer group is comprised of the following 12 companies: CBIZ Inc. (CBZ), FTI Consulting Inc. (FCN), Heidrick & Struggles International Inc. (HSII), Huron Consulting Group Inc. (HURN), ICF International Inc. (ICFI), Insperty Inc. (NSP), Kelly Services Inc. (KELYA), Kforce Inc. (KFRC), Resources Connection Inc. (RGP), Robert Half International Inc. (RHI), Willis Towers Watson Plc (WLTW) and TrueBlue Inc. (TBI). We believe this group of professional services firms is reflective of similar sized companies in terms of our market capitalization, revenue or profitability, and therefore provides a more meaningful comparison of stock performance. The returns of each company have been weighted according to their respective stock market capitalization at the beginning of each measurement period for purposes of arriving at a peer group average.

The stock price performance depicted in this graph is not necessarily indicative of future price performance. This graph will not be deemed to be incorporated by reference by any general statement incorporating this Annual Report on Form 10-K into any filing by us under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate this information by reference and shall not otherwise be deemed soliciting material or deemed filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN (*)

Among Korn Ferry, the S&P 500 Index, and a Peer Group



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(*) \$100 invested on April 30, 2016 in stock or index, including reinvestment of dividends. Fiscal year ended April 30, 2021.



Capital Allocation Approach

The Company and its Board of Directors endorse a balanced approach to capital allocation. The Company's first priority is to invest in growth initiatives, such as the hiring of consultants, the continued development of IP and derivative products and services, and the investment in synergistic, accretive M&A transactions that earn a return superior to the Company's cost of capital. Next, the Company's capital allocation approach contemplates the planned return of a portion of excess capital to stockholders, in the form of a regular quarterly dividend, subject to the factors discussed below under "Dividends" and in more detail in the "Risk Factors" section of this Annual Report on Form 10-K. Additionally, the Company considers share repurchases on an opportunistic basis and subject to the terms of our Credit Agreement. See Note 11— *Long Term Debt* for a description of the Credit Agreement.

Dividends

On December 8, 2014, the Board of Directors adopted a dividend policy, reflecting an intention to distribute to our stockholders a regular quarterly cash dividend of \$0.10 per share. Every quarter since the adoption of the dividend policy, the Company has declared a quarterly dividend. On June 21, 2021, the Board of Directors approved a 20% increase to our quarterly dividend, which is now at \$0.12 per share.

The declaration and payment of future dividends under the quarterly dividend policy will be at the discretion of the Board of Directors and will depend upon many factors, including the Company's earnings, capital requirements, financial conditions, the terms of the Company's indebtedness and other factors that the Board of Directors may deem to be relevant. The Board of Directors may amend, revoke or suspend the dividend policy at any time and for any reason.

Stock Repurchase Program

On March 6, 2019, the Board of Directors approved an increase in the Company's stock repurchase program of approximately \$200 million, which brought our available capacity to repurchase shares in the open market or privately negotiated transactions to approximately \$250 million. Common stock may be repurchased from time to time in open market or privately negotiated transactions at the Company's discretion subject to market conditions and other factors. The Company repurchased approximately \$30.4 million, \$92.4 million and \$37.4 million of the Company's common stock during fiscal 2021, 2020 and 2019, respectively. Any decision to execute on our stock repurchase program will depend on our earnings, capital requirements, financial condition and other factors considered relevant by our Board of Directors. The Credit Agreement, dated December 16, 2019, permits us to pay dividends to our stockholders and make share repurchases so long as there is no default under the Credit Agreement, the Company's total funded debt to adjusted EBITDA ratio (as set forth in the Credit Agreement, the "consolidated net leverage ratio") is no greater than 4.00 to 1.00, and the pro forma liquidity is at least \$50 million. Furthermore, our Notes allow the Company to pay \$25.0 million of dividends per fiscal year with no restrictions plus an unlimited amount of dividends so long as the Company's consolidated total leverage ratio is not greater than 3.50 to 1.00 and the Company is not in default under the indenture governing the Notes.

Issuer Purchases of Equity Securities

The following table summarizes common stock repurchased by us during the fourth quarter of fiscal 2021:

	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly- Announced Programs (2)	Approximate Dollar Value of Shares that May Yet be Purchased under the Programs (2)
February 1, 2021 — February 28, 2021	—	\$ —	—	\$127.9 Million
March 1, 2021 — March 31, 2021	3,112	\$ 62.89	—	\$127.9 Million
April 1, 2021 — April 30, 2021	1,296	\$ 63.05	—	\$127.9 Million
Total	4,408	\$ 62.94	—	

(1) Represents withholding of 4,408 of restricted shares to cover taxes on vested restricted shares.

(2) On March 6, 2019, our Board of Directors approved an increase to the share repurchase program to an aggregate of \$250 million. The shares can be repurchased in open market transactions or privately negotiated transactions at the Company's discretion. The share repurchase program has no expiration date.



Item 6. Selected Financial Data

The following selected financial data are qualified by reference to, and should be read together with, our “Audited Consolidated Financial Statements and Notes to Consolidated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” appearing elsewhere in this Annual Report on Form 10-K. The selected statements of income data set forth below for the fiscal years ended April 30, 2021, 2020 and 2019 and the selected balance sheets data as of April 30, 2021 and 2020 are derived from our audited consolidated financial statements, appearing elsewhere in this Annual Report on Form 10-K. The selected balance sheet data as of April 30, 2019, 2018 and 2017 and the selected statement of income data set forth below for the fiscal years ended April 30, 2018 and 2017 are derived from audited consolidated financial statements and notes thereto which are not included in this Annual Report on Form 10-K.

	Year Ended April 30,				
	2021	2020(1)	2019	2018	2017
	(in thousands, except per share data and other operating data)				
Selected Consolidated Statements of Income Data:					
Fee revenue	\$ 1,810,047	\$ 1,932,732	\$ 1,926,033	\$ 1,767,217	\$ 1,565,521
Reimbursed out-of-pocket engagement expenses	9,899	44,598	47,829	52,302	56,148
Total revenue	1,819,946	1,977,330	1,973,862	1,819,519	1,621,669
Compensation and benefits	1,297,880	1,297,994	1,311,240	1,199,057	1,065,659
General and administrative expenses	191,776	258,957	351,991	237,390	226,232
Reimbursed expenses	9,899	44,598	47,829	52,302	56,148
Cost of services	72,030	85,886	75,487	73,658	71,482
Depreciation and amortization	61,845	55,311	46,489	48,588	47,260
Restructuring charges, net (2)	30,732	58,559	—	78	34,600
Total operating expenses	1,664,162	1,801,305	1,833,036	1,611,073	1,501,381
Operating income	155,784	176,025	140,826	208,446	120,288
Other income (loss), net	37,194	(2,879)	10,405	11,416	10,661
Interest expense, net	(29,278)	(22,184)	(16,891)	(13,832)	(14,607)
Income tax provision	48,138	43,945	29,544	70,133	29,104
Net income	115,562	107,017	104,796	135,897	87,238
Net income attributable to noncontrolling interest	(1,108)	(2,071)	(2,145)	(2,118)	(3,057)
Net income attributable to Korn Ferry	\$ 114,454	\$ 104,946	\$ 102,651	\$ 133,779	\$ 84,181
Basic earnings per share	\$ 2.11	\$ 1.91	\$ 1.84	\$ 2.39	\$ 1.48
Diluted earnings per share	\$ 2.09	\$ 1.90	\$ 1.81	\$ 2.35	\$ 1.47
Basic weighted average common shares outstanding	52,928	54,342	55,311	55,426	56,205
Diluted weighted average common shares outstanding	53,405	54,767	56,096	56,254	56,900
Cash dividends declared per common share	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40
Other Operating Data:					
Fee revenue by segment:					
Consulting	\$ 515,844	\$ 543,095	\$ 568,321	\$ 540,529	\$ 497,736
Digital	287,306	292,366	252,727	244,484	226,450
Executive search:					
North America	397,275	434,624	455,826	408,098	356,625
EMEA	138,954	170,314	182,829	173,725	146,506
Asia Pacific	83,306	98,132	104,291	96,595	80,169
Latin America	17,500	29,400	31,896	30,624	34,376
Total executive search	637,035	732,470	774,842	709,042	617,676
RPO & Professional Search	369,862	364,801	330,143	273,162	223,659
Total fee revenue	\$ 1,810,047	\$ 1,932,732	\$ 1,926,033	\$ 1,767,217	\$ 1,565,521
Number of offices (at period end) (3)	101	111	104	106	114
Number of consultants and execution staff (at period end)	2,669	2,979	3,099	2,922	2,900
Number of new engagements opened	8,430	8,808	9,725	9,149	8,126
Number of full-time employees:					
Consulting	1,923	2,058	2,416	2,316	2,413
Digital	1,200	1,413	1,187	1,138	1,185
Executive search	1,527	1,686	1,960	1,865	1,791
RPO & Professional Search	3,071	2,891	2,942	2,188	1,710
Corporate	168	150	173	136	133
Total full-time employees	7,889	8,198	8,678	7,643	7,232
Selected Consolidated Balance Sheet Data as of April 30:					
Cash and cash equivalents	\$ 850,778	\$ 689,244	\$ 626,360	\$ 520,848	\$ 410,882
Marketable securities (4)	246,359	174,085	140,751	137,085	119,937
Working capital	737,062	612,876	585,852	455,799	385,095
Total assets	3,056,526	2,743,828	2,334,852	2,287,914	2,062,898
Long-term obligations (5)	937,681	895,930	540,507	509,839	517,271
Total stockholders' equity	1,368,775	1,223,691	1,243,387	1,219,615	1,087,048

(1) Due to the acquisition of Miller Heiman Group, AchieveForum and Strategy Execution on November 1, 2019, which accounted for \$53.2 million



- and \$155.5 million of fee revenue and total assets, respectively, during fiscal 2020, financial data trends for fiscal 2020 are not comparable to the prior period.
- (2) During fiscal 2021, the Company continued the implementation of the restructuring plan that was adopted in the fourth quarter of fiscal 2020 to adjust our cost base to the economic environment that was created as a result of COVID-19 and position the Company to invest into its recovery. This resulted in restructuring charges of \$30.7 million in fiscal 2021 related to severance. During fiscal 2020, the Company implemented two restructuring plans in order to rationalize our cost structure by eliminating redundant positions. The first plan was due to the acquisition of Miller Heiman Group, AchieveForum and Strategy Execution on November 1, 2019, which resulted in restructuring charges of \$18.1 million in fiscal 2020 related to severance. The second plan was due to the COVID-19 pandemic that decreased our fee revenue significantly in the fourth quarter of fiscal 2020 and resulted in restructuring charges of \$40.5 million in fiscal 2020 related to severance. During fiscal 2018 and 2017, the Company continued to implement a fiscal 2016 restructuring plan in order to integrate the Advisory entities that were acquired in fiscal 2016 by eliminating redundant positions and operational, general and administrative expenses and consolidating office space. This resulted in restructuring charges of \$0.1 million and \$34.6 million in fiscal 2018 and 2017, respectively. Of the amount recorded in restructuring charges in fiscal 2017, \$16.0 million related to severance and \$18.6 million related to consolidation of office spaces.
- (3) The number of offices decreased by 10 offices as of April 30, 2021 compared to April 30, 2020 due to cost saving initiatives that the Company implemented as a result of COVID-19. The Company began not to extend office leases in cities where we had multiple offices. The number of offices decreased by eight as of April 30, 2018 compared to April 30, 2017 due to the continued implementation of a 2016 restructuring plan.
- (4) As of April 30, 2021, 2020, 2019, 2018, and 2017, the Company's marketable securities included \$175.6 million, \$141.4 million, \$140.8 million, \$137.1 million, and \$119.9 million, respectively, held in trust for settlement of the Company's obligations under certain of its deferred compensation plans. See Note 5—*Financial Instruments* in the Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K.
- (5) During fiscal 2020 our long-term obligations increased compared to the previous years due to \$180.8 million of non-current portion of operating lease liability recognized as a result of the implementation of Accounting Standard Codification 842 -Leases in fiscal 2020 and our new 4.625% Senior Unsecured Notes due 2027 with a \$400 million principal amount offset by a decrease in the amount outstanding under our Credit Facility in fiscal 2020 compared to fiscal 2019.



Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Annual Report on Form 10-K may contain certain statements that we believe are, or may be considered to be, "forward-looking" statements, within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements generally can be identified by use of statements that include phrases such as "believe," "expect," "anticipate," "intend," "plan," "foresee," "may," "will," "likely," "estimates," "potential," "continue" or other similar words or phrases. Similarly, statements that describe our objectives, plans or goals, the timing and expected benefits of our completed restructuring plans and the magnitude and duration of the impact of the global ("COVID-19") pandemic on our business, employees, customers and our ability to provide services in affected regions. These forward-looking statements are subject to risks and uncertainties that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statement. The principal risk factors that could cause actual performance and future actions to differ materially from the forward-looking statements include, but are not limited to, those relating to the ultimate magnitude and duration of COVID-19 and of any future pandemics or similar outbreaks, and related restrictions and operational requirements that apply to our business and the businesses of our clients, and any related negative impacts on our business, employees, customers and our ability to provide services in affected regions, global and local political and or economic developments in or affecting countries where we have operations, competition, changes in demand for our services as a result of automation, dependence on and costs of attracting and retaining qualified and experienced consultants, maintaining our relationships with customers and suppliers and retaining key employees maintaining our brand name and professional reputation, potential legal liability and regulatory developments, portability of client relationships, consolidation of or within the industries we serve, changes and developments in governmental laws and regulations, evolving investor and customer expectations with regard to environmental matters, currency fluctuations in our international operations, risks related to growth, alignment of our cost structure, restrictions imposed by off-limits agreements, reliance on information processing systems, cyber security vulnerabilities or events, changes to data security, data privacy, and data protection laws, dependence on third parties for the execution of critical functions, limited protection of our intellectual property ("IP"), our ability to enhance and develop new technology, our ability to successfully recover from a disaster or other business continuity problems, employment liability risk, an impairment in the carrying value of goodwill and other intangible assets, treaties, or regulations on our business and our Company, deferred tax assets that we may not be able to use, our ability to develop new products and services, the impact of the United Kingdom's withdrawal from the European Union, changes in our accounting estimates and assumptions, the utilization and billing rates of our consultants, seasonality, the expansion of social media platforms, the ability to effect acquisitions, our indebtedness, the phase-out of LIBOR, and the matters disclosed under the heading "Risk Factors" in the Company's Exchange Act reports, including Item 1A included in this Annual Report on Form 10-K. Readers are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements included in this Annual Report on Form 10-K are made only as of the date of this Annual Report on Form 10-K and we undertake no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

The following presentation of management's discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and related notes included in this Annual Report on Form 10-K. We also make available on the Investor Relations portion of our website earnings slides and other important information, which we encourage you to review.

Executive Summary

Korn Ferry (referred to herein as the "Company" or in the first-person notations "we," "our," and "us") is a global organizational consulting firm. We help clients synchronize strategy, operations and talent to drive superior business performance. We work with organizations to design their structures, roles and responsibilities. We help them hire the right people to bring their strategy to life. And we advise them on how to reward, develop and motivate their people.

We are pursuing a strategy that will help Korn Ferry to focus on clients and collaborate intensively across the organization. This approach builds on the best of our past and gives us a clear path to the future with focused initiatives to increase our client and commercial impact. Korn Ferry is transforming how clients address their talent management needs. We have evolved from a mono-line business to a multi-faceted consultancy business, giving our consultants more frequent and expanded opportunities to engage with clients.

Our seven reportable segments operate through the following four lines of business:



1. **Consulting** aligns organization structure, culture, performance and people to drive sustainable growth by addressing four fundamental needs: Organizational Strategy, Assessment and Succession, Leadership and Professional Development, and Total Rewards. This work is supported by a comprehensive range of some of the world's leading IP and data.
2. **Digital** leverages an artificial intelligence ("AI") powered, machine-learning platform to identify the best structures, roles, capabilities and behaviors needed to drive business forward. The end-to-end system combines Korn Ferry proprietary data, client data, and external market data to generate insight and recommend action.
3. **Executive Search** helps organizations recruit board level, chief executive and other senior executive and general management talent. Behavioral interviewing and proprietary assessments are used to determine ideal organizational fit, and salary benchmarking builds appropriate frameworks for compensation and retention.
4. **RPO and Professional Search** combines people, process expertise and IP-enabled technology to deliver enterprise talent acquisition solutions to clients. Transaction sizes range from single professional searches to team, department and line of business projects, and global outsource recruiting solutions.

Consulting and Digital became reportable segments in the third quarter of fiscal 2020. Previously, these were tracked and reported together as one reportable segment, Korn Ferry Advisory ("Advisory"). We have invested in the Digital business and harmonized the structure of our content and data, building a technology platform for the efficient delivery of these assets directly to an end consumer or indirectly through a consulting engagement. These investments, combined with the acquisitions of Miller Heiman Group, AchieveForum and Strategy Execution ("the Acquired Companies") in November 2019 from TwentyEighty, Inc. for \$108.6 million, resulted in us reassessing how we managed our Advisory reportable segment. Therefore, beginning in the third quarter of fiscal 2020, we separated our Advisory reportable segment into two reportable segments to better align with the Company's strategy (which included the acquisition of the Acquired Companies) and the decisions of the Company's chief operating decision maker, who had begun to regularly make resource allocation decisions and assess performance separately between Consulting and Digital. As a result, the Company now has seven reportable segments: Consulting, Digital, Executive Search North America, Executive Search EMEA, Executive Search Asia Pacific, Executive Search Latin America and RPO & Professional Search.

The addition of the Acquired Companies has further expanded our vast IP and content and leveraged the firm's digital delivery platforms. We have invested in our Digital business to digitize and harmonize the structure of our IP content and data and in building a technology platform for the efficient delivery of these assets directly to an end consumer or indirectly through a consulting engagement.

Highlights of our performance in fiscal 2021 include:

- Approximately 75% of the executive searches we performed in fiscal 2021 were for board level, chief executive and other senior executive and general management positions. Our 3,635 search engagement clients in fiscal 2021 included many of the world's largest and most prestigious public and private companies.
- We have built strong client loyalty, with 90% of the assignments performed during fiscal 2021 having been on behalf of clients for whom we had conducted assignments in the previous three fiscal years.
- Approximately 70% of our revenues were generated from clients that have utilized multiple lines of our business.
- A vital pillar of our growth strategy is Digital. Our data and IP are embedded into the core business processes of our clients, helping us generate long-term relationships through large scale and technology-based talent programs.
- In fiscal 2021, Korn Ferry was recognized as one of the top RPO providers in the Baker's Dozen list, marking our 14th consecutive year on the list. We were also named leader on the Everest PEAK Matrix for four years running and achieved star performer status in 2021, with an improved leader position from 2020. Through decades of experience, we have enhanced our RPO solution to deliver quality candidates that drive our clients' business strategies. We leverage proprietary IP and data sets to guide clients on the critical skills and competencies to look for, compensation information to align with market demand, and assessment tools to ensure candidate fit. In fiscal 2021 we introduced Nimble, a new, fully integrated recruitment technology solution incorporating Candidate Relationship Management, AI Assistance & Screening and Korn Ferry Assessments.

Restructuring and Operational Changes

On June 12, 2018, the Company's Board of Directors approved the One Korn Ferry rebranding plan for the Company (the "Plan"). The Plan includes going to market under a single, master brand architecture, solely as Korn Ferry and sunsetting all the Company's sub-brands used at the time, including Futurestep, Hay Group and Lominger, among others. This integrated go-to-market approach was a key driver in our fee revenue growth in fiscal year 2018, which



led to the decision to further integrate our go-to-market activities under one master brand — Korn Ferry. As a result, the Company discontinued the use of all sub-brands and changed its name, effective January 1, 2019, to “Korn Ferry.” Two of the Company’s former sub-brands, Hay Group and Lominger, came to Korn Ferry through acquisitions. In connection with the accounting for these acquisitions, \$106.6 million of the purchase price was allocated to indefinite-lived tradename intangible assets. As a result of the decision to discontinue their use, the Company took a one-time, non-cash write-off of tradenames of \$106.6 million in fiscal 2019. During fiscal 2020 the Company completed the implementation of this plan.

On November 1, 2019, we adopted a restructuring plan to rationalize our cost structure to realize the efficiencies and operational improvement that the investments in the digital business had enabled, or positioned us to realize. The plan impacted both Consulting and Digital and included the elimination of redundant positions and consolidation of office space. In the third quarter of fiscal 2020, we recognized \$18.1 million of restructuring charges associated with severance and recorded \$2.8 million of integration/acquisition costs associated with impairment of 16 office leases. The restructuring actions were completed by July 31, 2020.

The Impact of COVID-19

In March 2020, COVID-19 was reported to have spread to over 100 countries, territories or areas, worldwide, and in the fourth quarter of fiscal 2020 the World Health Organization declared it a pandemic. The negative business impact of the coronavirus outbreak was initially most pronounced in the Asia Pacific Region. During fiscal 2021, the impact has been felt throughout all the geographical areas in which we do business. Governments and companies implemented social distancing - limiting either travel or in person individual or group face-to-face interaction as well as working from home to adhere to stay at home orders from national, state and city government. Such restrictions initially impacted our ability to provide our products and services to our clients with such impact lessening in the second, third and fourth quarters of fiscal 2021 as the world learned to work in different ways. Further, the outbreak has restricted the level of economic activity in the areas in which we operate and has had an adverse impact on demand for and sales of our products and services. All of our reportable segments across all of our geographies have been impacted as fee revenue decreased in the fourth quarter of fiscal 2020 and further decreased in the first quarter of fiscal 2021 due to a decrease in demand as clients responded to the pandemic. As a result of this and, as part of a broader program aimed at further enhancing our strong balance sheet and liquidity position, on April 20, 2020, we initiated a plan that was intended to adjust our cost base to the economic environment at that time and to position us to invest in the recovery. This plan included (i) a reduction in workforce, which was completed by the end of the first quarter of fiscal 2021 and resulted in restructuring charges of \$40.5 million and \$30.7 million associated with severance during the fourth quarter of fiscal 2020 and fiscal 2021, respectively, (ii) the temporary furlough of certain employees, (iii) subject to certain exceptions and legal requirements, salary reductions across the organization through December 31, 2020, and (iv) other cost saving measures relating to general and administrative expenses.

In the third and fourth quarters of fiscal 2021, the Company saw business conditions improve substantially from where they were in the second and first quarters with fee revenues increasing 27% in the second quarter of fiscal 2021 compared to the first quarter, 9% in the third quarter from the second quarter of fiscal 2021, and 17% in the fourth quarter from the third quarter of fiscal 2021 to \$555.2 million, with all reportable segments contributing to the improvement of fee revenue. As such, no new restructuring actions were taken in the last nine months of fiscal 2021. With the sequential improvement in fee revenue and leveraging the restructured cost base, the Company experienced notably better profitability starting in the second quarter of fiscal 2021 compared to sequential quarter. As such, in the second and third quarter of the Company’s 2021 fiscal year, the Company made a decision to pay all colleagues, including our named executive officers, their full salary and non-executive directors their full retainers for both the second and third quarter of the Company’s 2021 fiscal year. With the improvement in the operating results the Company decided to fully reimburse colleagues (except certain executive officers) for the remainder of their pay cuts that were taken in fiscal 2021. Employees will receive their final payment in the first quarter of fiscal 2022. Beginning on January 1, 2021 salaries of our employees were fully reinstated.

While advances have been made in the science and societal and economic consequences of COVID-19, there remains significant uncertainty about the future impacts of COVID-19. On the positive side, governments around the world have begun distributing and administering the vaccine. In addition, the world has adopted new ways of working and interacting with substantial acceptance of business being conducted in a virtual world. On the negative side, there have been challenges in manufacturing the vaccines at scale as well as distributing and administering to the population at large in many countries around the world. Since the end of the second quarter of fiscal 2021, we saw governments impose additional restrictions on travel and activities, particularly in Europe and in the United States, as the number of COVID-19 cases and hospitalizations continued to increase, reaching all-time highs in the United States. At the end of the third quarter and during the fourth quarter, hospitalizations in the United States started to decrease and restrictions are starting to ease whereas in Brazil, India and in some parts of Europe the opposite is true. The new, more contagious variants of the virus appear to be more resistant to the vaccines and it is unknown how long the antibodies developed by the vaccine will be effective against the virus mutations. Therefore, it is



unknown whether the easing of the restrictions will continue or be reversed. With the implementation of the plan discussed above and the improved business activity we experienced in the second, third and fourth quarters, we believe our costs are in line with our current revenue levels. However, uncertainties such as whether the new variants of the virus become the dominant strain, for how long the vaccine is effective to virus mutations or whether new restrictions are imposed (or prior restrictions re-imposed), make us unable to give assurance that the rate of increase in fee revenue during the three months ended April 30, 2021, will continue in the three months ended July 31, 2021. Given the amount available from our current revolver and the amount of cash and cash equivalents and marketable securities net of amounts held in trust for deferred compensation and accrued bonuses, we believe that we have sufficient liquidity to meet our anticipated working capital, capital expenditures, general corporate requirements, repayment of the debt obligations and dividend payments under our dividend policy in the next 12 months.

Performance Highlights

The Company evaluates performance and allocates resources based on the chief operating decision maker's review of (1) fee revenue and (2) adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). To the extent that such charges occur, Adjusted EBITDA excludes restructuring charges, integration/acquisition costs, certain separation costs and certain non-cash charges (goodwill, intangible asset and other than temporary impairments of investments). For fiscal 2021, Adjusted EBITDA excluded \$30.7 million of restructuring charges and \$0.7 million of integration/acquisition costs. For fiscal 2020, Adjusted EBITDA excluded \$58.6 million of restructuring charges, \$12.2 million of integration/acquisition costs and \$1.8 million of separation costs. For fiscal 2019, Adjusted EBITDA excluded \$106.6 million of tradename write-offs and \$6.7 million of integration/acquisition costs.

Consolidated and the subtotals of Executive Search Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. They have limitations as analytical tools, should not be viewed as a substitute for financial information determined in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP"), and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP. In addition, they may not necessarily be comparable to non-GAAP performance measures that may be presented by other companies.

Management believes the presentation of these non-GAAP financial measures provides meaningful supplemental information regarding Korn Ferry's performance by excluding certain charges, items of income and other items that may not be indicative of Korn Ferry's ongoing operating results. The use of these non-GAAP financial measures facilitates comparisons to Korn Ferry's historical performance and the identification of operating trends that may otherwise be distorted by the factors discussed above. Korn Ferry includes these non-GAAP financial measures because management believes it is useful to investors in allowing for greater transparency with respect to supplemental information used by management in its evaluation of Korn Ferry's ongoing operations and financial and operational decision-making. The accounting policies for the reportable segments are the same as those described in the summary of significant accounting policies in the accompanying consolidated financial statements, except that the above noted items are excluded to arrive at Adjusted EBITDA. Management further believes that Adjusted EBITDA is useful to investors because it is frequently used by investors and other interested parties to measure operating performance among companies with different capital structures, effective tax rates and tax attributes and capitalized asset values, all of which can vary substantially from company to company.

Fee revenue was \$1,810.0 million during fiscal 2021, a decrease of \$122.7 million, or 6.3%, compared to \$1,932.7 million in fiscal 2020, with decreases in fee revenue in the Consulting, Digital and Executive Search lines of business due to a decline in demand for our products and services as a result of COVID-19, partially offset by an increase in fee revenue in RPO & Professional Search. Net income attributable to Korn Ferry increased by \$9.6 million during fiscal 2021 to \$114.5 million from \$104.9 million in fiscal 2020. Adjusted EBITDA was \$286.3 million, a decrease of \$14.7 million during fiscal 2021, from Adjusted EBITDA of \$301.0 million in fiscal 2020. During fiscal 2021, the Executive Search, Digital, Consulting and RPO & Professional Search lines of business contributed \$127.8 million, \$86.1 million, \$81.5 million and \$69.4 million, respectively, offset by Corporate expenses net of other income of \$78.5 million.

Our cash, cash equivalents and marketable securities increased by \$233.8 million to \$1,097.1 million at April 30, 2021, compared to \$863.3 million at April 30, 2020. This increase was mainly due to cash flows from operations as a result of cost savings initiatives that were put in place and a positive effect of exchange rate changes on cash and cash equivalents, partially offset by repurchases of our common stock in the open market, purchases of property and equipment, interest payments on the 4.625% Senior Unsecured Notes due 2027 (the "Notes") and dividends paid to stockholders during fiscal 2021. As of April 30, 2021, we held marketable securities to settle obligations under our Executive Capital Accumulation Plan ("ECAP") with a cost value of \$145.7 million and a fair value of \$175.6 million. Our vested obligations for which these assets were held in trust totaled \$157.3 million as of April 30, 2021 and our unvested obligations totaled \$26.5 million.



Our working capital increased by \$124.2 million to \$737.1 million in fiscal 2021. We believe that cash on hand and funds from operations and other forms of liquidity will be sufficient to meet our anticipated working capital, capital expenditures, general corporate requirements, repayment of our debt obligations and dividend payments under our dividend policy in the next twelve months. We had \$646.0 million available for borrowing under our Revolver (as defined herein) at April 30, 2021 and 2020. As of April 30, 2021 and 2020, there was \$4.0 million of standby letters of credit issued, under our long-term debt arrangements. We had a total of \$11.0 million and \$11.3 million of standby letters of credits with other financial institutions as of April 30, 2021 and 2020, respectively.

Critical Accounting Policies

The following discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements. Preparation of our periodic filings requires us to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions and changes in the estimates are reported in current operations as new information is learned or upon the amounts becoming fixed and determinable. In preparing our consolidated financial statements and accounting for the underlying transactions and balances, we apply our accounting policies as disclosed in the notes to our consolidated financial statements. We consider the policies discussed below as critical to an understanding of our consolidated financial statements because their application places the most significant demands on management's judgment and estimates. Specific risks for these critical accounting policies are described in the following paragraphs. Senior management has discussed the development, selection and key assumptions of the critical accounting estimates with the Audit Committee of the Board of Directors.

Revenue Recognition. Substantially all fee revenue is derived from talent and organizational consulting services and digital sales, stand-alone or as part of a solution, fees for professional services related to executive and professional recruitment performed on a retained basis and RPO, either stand-alone or as part of a solution.

Revenue is recognized when control of the goods and services is transferred to the customer, in an amount that reflects the consideration that we expect to be entitled to in exchange for those goods and services. Revenue contracts with customers are evaluated based on the five-step model outlined in Accounting Standard Codification 606 ("ASC 606"): 1) identify the contract with a customer; 2) identify the performance obligation(s) in the contract; 3) determine the transaction price; 4) allocate the transaction price to the separate performance obligation(s); and 5) recognize revenue when (or as) each performance obligation is satisfied.

Consulting fee revenue is primarily recognized as services are rendered, measured by total hours incurred as a percentage of total estimated hours at completion. It is possible that updated estimates for consulting engagements may vary from initial estimates with such updates being recognized in the period of determination. Depending on the timing of billings and services rendered, we accrue or defer revenue as appropriate.

Digital revenue is generated from IP platforms enabling large-scale, technology-based talent programs for pay, talent development, engagement, and assessment and is consumed directly by an end user or indirectly through a consulting engagement. Revenue is recognized as services are delivered and we have a legally enforceable right to payment. Revenue also comes from the sale of our proprietary IP subscriptions, which are considered symbolic IP due to the dynamic nature of the content. As a result, revenue is recognized over the term of the contract. Functional IP licenses grant customers the right to use IP content via the delivery of a flat file. Because the IP content license has significant stand-alone functionality, revenue is recognized upon delivery and when an enforceable right to payment exists. Revenue for tangible and digital products sold by the Company, such as books and digital files, is recognized when these products are shipped.

Fee revenue from executive and professional search activities is generally one-third of the estimated first year compensation of the placed candidate plus a percentage of the fee to cover indirect engagement related expenses. In addition to the search retainer, an uptick fee is billed when the actual compensation awarded by the client for a placement is higher than the estimated compensation. In the aggregate, upticks have been a relatively consistent percentage of the original estimated fee; therefore, we estimate upticks using the expected value method based on historical data on a portfolio basis. In a standard search engagement, there is one performance obligation which is the promise to undertake a search. We generally recognize such revenue over the course of a search and when it is legally entitled to payment as outlined in the billing terms of the contract. Any revenues associated with services that are provided on a contingent basis are recognized once the contingency is resolved as this is when control is transferred to the customer. These assumptions determine the timing of revenue recognition for the reported period.

RPO fee revenue is generated through two distinct phases: 1) the implementation phase and 2) the post-implementation recruitment phase. The fees associated with the implementation phase are recognized over the period that the related implementation services are provided. The post-implementation recruitment phase represents end-to-end recruiting services to clients for which there are both fixed and variable fees, which are recognized over the period that the related recruiting services are performed.



Annual Performance-Related Bonuses. Each quarter, management makes its best estimate of its annual performance related bonuses, which requires management to, among other things, project annual consultant productivity (as measured by engagement fees billed and collected by executive search consultants and revenue and other performance/profitability metrics for Consulting, Digital and RPO & Professional Search consultants), the level of engagements referred by a consultant in one line of business to a different line of business, our performance including profitability, competitive forces and future economic conditions and their impact on our results. At the end of each fiscal year, annual performance related bonuses take into account final individual consultant productivity (including referred work), Company/line of business results including profitability, the achievement of strategic objectives, the results of individual performance appraisals, and the current economic landscape. Accordingly, each quarter we reevaluate the assumptions used to estimate annual performance-related bonus liability and adjust the carrying amount of the liability recorded on the consolidated balance sheets and report any changes in the estimate in current operations. Because annual performance-based bonuses are communicated and paid only after we report our full fiscal year results, actual performance-based bonus payments may differ from the prior year's estimate. Such changes in the bonus estimate historically have been immaterial and are recorded in current operations in the period in which they are determined.

Deferred Compensation. Estimating deferred compensation requires assumptions regarding the timing and probability of payments of benefits to participants and the discount rate. Changes in these assumptions could significantly impact the liability and related cost on our consolidated balance sheets and statements of income, respectively. For certain deferred compensation plans, management engages an independent actuary to periodically review these assumptions in order to confirm that they reflect the population and economics of our deferred compensation plans in all material respects and to assist us in estimating our deferred compensation liability and the related cost. The actuarial assumptions we use may differ from actual results due to changing market conditions or changes in the participant population. These differences could have a significant impact on our deferred compensation liability and the related cost.

Carrying Values. Valuations are required under GAAP to determine the carrying value of various assets. Our most significant assets for which management is required to prepare valuations are carrying value of receivables, goodwill, intangible assets and recoverability of deferred income taxes. Management must identify whether events have occurred that may impact the carrying value of these assets and make assumptions regarding future events, such as cash flows and profitability. Differences between the assumptions used to prepare these valuations and actual results could materially impact the carrying amount of these assets and our operating results.

Of the assets mentioned above, goodwill is the largest asset requiring a valuation. Fair value of goodwill for purposes of the goodwill impairment test is determined utilizing (1) a discounted cash flow analysis based on forecasted cash flows (including estimated underlying revenue and operating income growth rates) discounted using an estimated weighted-average cost of capital for market participants and (2) a market approach, utilizing observable market data such as comparable companies in similar lines of business that are publicly traded or which are part of a public or private transaction (to the extent available). We also reconcile the results of these analyses to its market capitalization. If the carrying amount of a reporting unit exceeds its estimated fair value, goodwill is considered potentially impaired and further tests are performed to measure the amount of impairment loss, if any.

We perform an annual impairment test each year as of January 31, or more frequently if impairment indicators arise. The qualitative and quantitative test performed as of January 31, 2021 did not indicate any impairment. While historical performance and current expectations have resulted in fair values of goodwill in excess of carrying values, if our assumptions are not realized, it is possible that in the future an impairment charge may need to be recorded. However, it is not possible at this time to determine if an impairment charge would result or if such a charge would be material. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the annual goodwill impairment test will prove to be accurate predictions of the future. As of our testing date, the fair value of each reporting unit exceeded its carrying amount and as a result, no impairment charge was recognized. There was no indication of potential impairment through April 30, 2021 that would have required further testing.

Examples of events or circumstances that could reasonably be expected to negatively affect the underlying key assumptions and ultimately impact the estimated fair value of the reporting units may include such items as follows:

- A prolonged downturn in the business environment in which the reporting units operate including a longer than anticipated public health crisis;
- An economic climate that significantly differs from our future profitability assumptions in timing or degree;
- The deterioration of the labor markets;



- Volatility in equity and debt markets; and
- Competition and disruption in our core business.

Results of Operations

The following table summarizes the results of our operations as a percentage of fee revenue:
(Numbers may not total exactly due to rounding)

	Year Ended April 30,		
	2021	2020	2019
Fee revenue	100.0 %	100.0 %	100.0 %
Reimbursed out-of-pocket engagement expenses	0.5	2.3	2.5
Total revenue	100.5	102.3	102.5
Compensation and benefits	71.7	67.2	68.1
General and administrative expenses (1)	10.6	13.4	18.3
Reimbursed expenses	0.5	2.3	2.5
Cost of services	4.0	4.4	3.9
Depreciation and amortization	3.4	2.9	2.4
Restructuring charges, net	1.7	3.0	—
Operating income	8.6	9.1	7.3
Net income	6.4 %	5.5 %	5.4 %
Net income attributable to Korn Ferry	6.3 %	5.4 %	5.3 %

(1) General and administrative expenses for fiscal 2019 includes write-off of tradenames of \$106.6 million.

The following tables summarize the results of our operations:
(Numbers may not total exactly due to rounding)

	Year Ended April 30,					
	2021		2020		2019	
	Dollars	%	Dollars	%	Dollars	%
(dollars in thousands)						
Fee revenue						
Consulting	\$ 515,844	28.5 %	\$ 543,095	28.1 %	568,321	29.5 %
Digital	287,306	15.9	292,366	15.1	252,727	13.1
Executive Search:						
North America	397,275	21.9	434,624	22.5	455,826	23.7
EMEA	138,954	7.7	170,314	8.8	182,829	9.5
Asia Pacific	83,306	4.6	98,132	5.1	104,291	5.4
Latin America	17,500	1.0	29,400	1.5	31,896	1.7
Total Executive Search	637,035	35.2	732,470	37.9	774,842	40.3
RPO & Professional Search	369,862	20.4	364,801	18.9	330,143	17.1
Total fee revenue	1,810,047	100.0 %	1,932,732	100.0 %	1,926,033	100.0 %
Reimbursed out-of-pocket engagement expense	9,899		44,598		47,829	
Total revenue	<u>\$ 1,819,946</u>		<u>\$ 1,977,330</u>		<u>\$ 1,973,862</u>	



In the tables that follow, the Company presents a subtotal for Executive Search Adjusted EBITDA and a single percentage for Executive Search Adjusted EBITDA margin, which reflects the aggregate of all of the individual Executive Search Regions. These figures are non-GAAP financial measures and are presented as they are consistent with the Company's lines of business and are financial metrics used by the Company's investor base.

	Year Ended April 30, 2021																				
	Executive Search								RPO & Professional Search	Corporate	Consolidated										
	Consulting	Digital	North America	EMEA	Asia Pacific	Latin America	Subtotal														
						(in thousands)															
Fee revenue	\$	515,844	\$	287,306	\$	397,275	\$	138,954	\$	83,306	\$	17,500	\$	637,035	\$	369,862	\$	—	\$	1,810,047	
Total revenue	\$	517,046	\$	287,780	\$	399,104	\$	139,213	\$	83,463	\$	17,500	\$	639,280	\$	375,840	\$	—	\$	1,819,946	
Net income attributable to Korn Ferry																				\$	114,454
Net income attributable to noncontrolling interest																					1,108
Other income, net																					(37,194)
Interest expense, net																					29,278
Income tax provision																					48,138
Operating income																				\$	155,784
Depreciation and amortization																					61,845
Other income, net																					37,194
Integration/acquisition costs																					737
Restructuring charges, net																					30,732
Adjusted EBITDA	\$	81,522	\$	86,095	\$	98,099	\$	11,742	\$	16,676	\$	1,289	\$	127,806	\$	69,411	\$	(78,542)	\$	286,292	
Adjusted EBITDA margin		15.8 %		30.0 %		24.7 %		8.5 %		20.0 %		7.4 %		20.1 %		18.8 %					15.8 %

	Year Ended April 30, 2020									
	Executive Search							RPO & Professional Search	Corporate	Consolidated
	Consulting	Digital	North America	EMEA	Asia Pacific	Latin America	Subtotal			
	(in thousands)									
Fee revenue	\$ 543,095	\$ 292,366	\$ 434,624	\$ 170,314	\$ 98,132	\$ 29,400	\$ 732,470	\$ 364,801	\$ —	\$ 1,932,732
Total revenue	\$ 557,255	\$ 294,261	\$ 447,528	\$ 172,978	\$ 99,209	\$ 29,493	\$ 749,208	\$ 376,606	\$ —	\$ 1,977,330
Net income attributable to Korn Ferry										\$ 104,946
Net income attributable to noncontrolling interest										2,071
Other loss, net										2,879
Interest expense, net										22,184
Income tax provision										43,945
Operating income										\$ 176,025
Depreciation and amortization										55,311
Other loss, net										(2,879)
Integration/acquisition costs										12,152
Restructuring charges, net										58,559
Separation costs										1,783
Adjusted EBITDA	\$ 61,092	\$ 83,073	\$ 120,725	\$ 31,067	\$ 22,885	\$ 6,402	\$ 181,079	\$ 60,168	\$ (84,461)	\$ 300,951
Adjusted EBITDA margin	11.2 %	28.4 %	27.8 %	18.2 %	23.3 %	21.8 %	24.7 %	16.5 %		15.6 %



Year Ended April 30, 2019										
	Executive Search						RPO & Professional Search	Corporate		Consolidated
	Consulting	Digital	North America	EMEA	Asia Pacific	Latin America				
	(in thousands)									
Fee revenue	\$ 568,321	\$ 252,727	\$ 455,826	\$ 182,829	\$ 104,291	\$ 31,896	\$ 774,842	\$ 330,143	\$ —	\$ 1,926,033
Total revenue	\$ 585,893	\$ 252,727	\$ 469,743	\$ 186,131	\$ 105,543	\$ 31,960	\$ 793,377	\$ 341,865	\$ —	\$ 1,973,862
Net income attributable to Korn Ferry										\$ 102,651
Net income attributable to noncontrolling interest										2,145
Other income, net										(10,405)
Interest expense, net										16,891
Income tax provision										29,544
Operating income										\$ 140,826
Depreciation and amortization										46,489
Other income, net										10,405
Integration/acquisition costs										6,746
Tradename write-offs										106,555
Adjusted EBITDA	\$ 66,531	\$ 84,455	\$ 131,343	\$ 31,660	\$ 26,073	\$ 4,730	\$ 193,806	\$ 54,407	\$ (88,178)	\$ 311,021
Adjusted EBITDA margin	11.7 %	33.4 %	28.8 %	17.3 %	25.0 %	14.8 %	25.0 %	16.5 %		16.1 %

Fiscal 2021 Compared to Fiscal 2020

Fee Revenue

Fee Revenue. Fee revenue decreased by \$122.7 million, or 6.3%, to \$1,810.0 million in fiscal 2021 compared to \$1,932.7 million in fiscal 2020. Exchange rates favorably impacted fee revenue by \$21.6 million, or 1%, in fiscal 2021 compared to fiscal 2020. The lower fee revenue was attributable to decreases in our Executive Search, Digital and Consulting lines of business primarily due to the impact of COVID-19 on economies in which we operate in fiscal 2021, partially offset by fee revenue generated from the growth in RPO & Professional Search.

Consulting. Consulting reported fee revenue of \$515.8 million in fiscal 2021, a decrease of \$27.3 million, or 5%, compared to \$543.1 million in fiscal 2020. The decrease was primarily due to the contraction in economic activity due to COVID-19. Exchange rates favorably impacted fee revenue by \$5.6 million, or 1%, compared to fiscal 2020.

Digital. Digital reported fee revenue of \$287.3 million in fiscal 2021, a decrease of \$5.1 million, or 2%, compared to \$292.4 million in fiscal 2020. The lower fee revenue was primarily due to the contraction in economic activity due to COVID-19. Exchange rates favorably impacted fee revenue by \$3.0 million, or 1%, compared to fiscal 2020.

Executive Search North America. Executive Search North America reported fee revenue of \$397.3 million in fiscal 2021, a decrease of \$37.3 million, or 9%, compared to \$434.6 million in fiscal 2020. North America's fee revenue was lower due to a 5% decrease in the number of engagements billed and a 4% decrease in the weighted-average fees billed per engagement (calculated using local currency) in fiscal 2021 compared to fiscal 2020.

Executive Search EMEA. Executive Search EMEA reported fee revenue of \$139.0 million in fiscal 2021, a decrease of \$31.3 million, or 18%, compared to \$170.3 million in fiscal 2020. Exchange rates favorably impacted fee revenue by \$8.0 million, or 5%, in fiscal 2021, compared to fiscal 2020. The decrease in fee revenue was due to a 16% decrease in the number of engagements billed and an 8% decrease in the weighted-average fees billed per engagement (calculated using local currency) in fiscal 2021 compared to fiscal 2020. The performance in the United Kingdom, Germany, France, Switzerland, Netherlands and the UAE were the primary contributors to the decrease in fee revenue in fiscal 2021 compared to fiscal 2020.

Executive Search Asia Pacific. Executive Search Asia Pacific reported fee revenue of \$83.3 million in fiscal 2021, a decrease of \$14.8 million, or 15%, compared to \$98.1 million in fiscal 2020. Exchange rates favorably impacted fee revenue by \$2.5 million, or 3%, in fiscal 2021, compared to fiscal 2020. The decrease in fee revenue was due to an 11% decrease in the weighted-average fees billed per engagement (calculated using local currency) and a 7% decrease in the number of engagements billed in fiscal 2021 compared to fiscal 2020. The performance in Australia, Hong Kong, and Singapore were the primary contributors to the decrease in fee revenue in fiscal 2021 compared to fiscal 2020.

Executive Search Latin America. Executive Search Latin America reported fee revenue of \$17.5 million in fiscal 2021, a decrease of \$11.9 million, or 40%, compared to \$29.4 million in fiscal 2020. Exchange rates unfavorably impacted fee revenue by \$3.6 million, or 12%, in fiscal 2021, compared to fiscal 2020. The decrease in fee revenue was due to a 27% decrease in the number of engagements billed and a 7% decrease in the weighted-average fees billed per engagement (calculated using local currency) in fiscal 2021 compared to fiscal 2020. The decrease in fee revenue was due to lower fee revenue in Mexico, Brazil, Chile and Peru in fiscal 2021 compared to fiscal 2020.



RPO & Professional Search. RPO & Professional Search reported fee revenue of \$369.9 million in fiscal 2021, an increase of \$5.1 million, or 1% compared to \$364.8 million in fiscal 2020. Exchange rates favorably impacted fee revenue by \$5.4 million, or 1% compared to fiscal 2020. The increase in fee revenue was due to higher fee revenue in RPO of \$18.0 million due to a strong demand for our services in the fourth quarter of fiscal 2021 partially offset by lower fee revenue in Professional Search of \$12.9 million which was impacted by COVID-19.

Compensation and Benefits

Compensation and benefits expense remained flat at \$1,297.9 million in fiscal 2021 and \$1,298.0 million in fiscal 2020. Exchange rates unfavorably impacted compensation and benefits by \$14.2 million, or 1%, in fiscal 2021 compared to fiscal 2020. The change in compensation and benefits expense was due to lower salaries and related payroll taxes and employer insurance due to a 5% decrease in average headcount as a result of actions taken to align our cost structure with lower-level business demand. This was fully offset by increases in performance-related bonus expense and deferred compensation expense driven by an increase in the fair value of participants' accounts. Compensation and benefits expense, as a percentage of fee revenue, increased to 72% in fiscal 2021 from 67% in fiscal 2020.

Consulting compensation and benefits expense decreased by \$12.8 million, or 3%, to \$360.4 million in fiscal 2021 from \$373.2 million in fiscal 2020. Exchange rates unfavorably impacted compensation and benefits by \$4.0 million, or 1%, in fiscal 2021 compared to fiscal 2020. The change was primarily due to a decrease in salaries and related payroll taxes and employer insurance due to an 11% decline in average headcount as a result of actions taken to align our cost structure with the lower level of business demand, partially offset by higher performance-related bonus expense. Consulting compensation and benefits expense, as a percentage of fee revenue, increased to 70% in fiscal 2021 from 69% in fiscal 2020.

Digital compensation and benefits expense decreased by \$3.0 million, or 2%, to \$146.7 million in fiscal 2021 from \$149.7 million in fiscal 2020. Exchange rates unfavorably impacted compensation and benefits by \$1.6 million, or 1%, in fiscal 2021 compared to fiscal 2020. The decrease in compensation and benefits expense was due to a decline in salaries and related payroll taxes as a result of actions taken to align our cost structure with the lower level of business demand. This decrease was also impacted by lower integration/acquisition costs partially offset by increases in performance-related bonus expense and commission expense. Digital compensation and benefits expense, as a percentage of fee revenue, was 51% for both fiscal 2021 and 2020.

Executive Search North America compensation and benefits expense increased by \$29.8 million, or 11%, to \$299.5 million in fiscal 2021 compared to \$269.7 million in fiscal 2020. Exchange rates unfavorably impacted compensation and benefits by \$0.3 million in fiscal 2021 compared to fiscal 2020. The increase was due to higher expenses associated with our deferred compensation and retirement plans driven by an increase in the fair value of participants' accounts and an increase in performance-related bonus expense. These increases were partially offset by a decrease in salaries and related payroll taxes due to a 14% decline in average headcount as a result of actions taken to align our cost structure with the lower level of business demand in fiscal 2021 compared to fiscal 2020. Executive Search North America compensation and benefits expense, as a percentage of fee revenue, increased to 75% in fiscal 2021 from 62% in fiscal 2020.

Executive Search EMEA compensation and benefits expense decreased by \$8.6 million, or 7%, to \$111.1 million in fiscal 2021 compared to \$119.7 million in fiscal 2020. Exchange rates unfavorably impacted compensation and benefits by \$5.3 million, or 4%, in fiscal 2021 compared to fiscal 2020. The decrease was due to lower salaries and related payroll taxes due to an 8% decline in average headcount as a result of actions taken to align our cost structure with the lower level of business demand in fiscal 2021 compared to fiscal 2020. Executive Search EMEA compensation and benefits expense, as a percentage of fee revenue, increased to 80% in fiscal 2021 from 70% in fiscal 2020.

Executive Search Asia Pacific compensation and benefits expense decreased by \$6.0 million, or 9%, to \$58.3 million in fiscal 2021 compared to \$64.3 million in fiscal 2020. Exchange rates unfavorably impacted compensation and benefits by \$1.7 million, or 3%, in fiscal 2021 compared to fiscal 2020. The decrease was due to a decrease in salaries and related payroll taxes due to 12% decline in average headcount as a result of actions taken to align our cost structure with the lower level of business demand in fiscal 2021 compared to fiscal 2020. The decrease was partially offset by a higher performance-related bonus expense. Executive Search Asia Pacific compensation and benefits expense, as a percentage of fee revenue, increased to 70% in fiscal 2021 from 66% in fiscal 2020.

Executive Search Latin America compensation and benefits expense decreased by \$4.6 million, or 25%, to \$14.1 million in fiscal 2021 compared to \$18.7 million in fiscal 2020. Exchange rates favorably impacted compensation and benefits by \$2.7 million, or 14%, in fiscal 2021 compared to fiscal 2020. The decrease was due to lower salaries and related payroll taxes due to a 16% decline in average headcount as a result of actions taken to align our cost structure with the lower level of business demand in fiscal 2021 compared to fiscal 2020. Executive Search Latin



America compensation and benefits expense, as a percentage of fee revenue, increased to 80% in fiscal 2021 from 64% in fiscal 2020.

RPO & Professional Search compensation and benefits expense increased by \$3.6 million, or 1%, to \$264.6 million in fiscal 2021 from \$261.0 million in fiscal 2020. Exchange rates unfavorably impacted compensation and benefits by \$4.0 million, or 2%, in fiscal 2021 compared to fiscal 2020. The increase was due to higher performance-related bonus expense, partially offset by a decrease in salaries and related payroll taxes in fiscal 2021 compared to fiscal 2020. RPO & Professional Search compensation and benefits expense, as a percentage of fee revenue, was 72% in both fiscal 2021 and 2020.

Corporate compensation and benefits expense increased by \$1.5 million, or 4%, to \$43.2 million in fiscal 2021 from \$41.7 million in fiscal 2020. The increase was primarily due to higher performance-related bonus expense and an increase in expenses associated with our deferred compensation and retirement plans driven by increases in the fair value of participants' accounts. These increases were partially offset by lower salaries and related payroll taxes as a result of a 2% decline in headcount as a result of actions taken to align our cost structure with the lower level of business demand in fiscal 2021 compared to fiscal 2020 and an increase in income from company-owned life insurance ("COLI") policies due to more death benefits recorded in fiscal 2021 compared to fiscal 2020.

General and Administrative Expenses

General and administrative expenses decreased \$67.2 million, or 26%, to \$191.8 million in fiscal 2021 compared to \$259.0 million in fiscal 2020. Exchange rates unfavorably impacted general and administrative expenses by \$3.3 million, or 1%, in fiscal 2021 compared to fiscal 2020. The decrease in general and administrative expenses was due to lower marketing and business development expenses, travel related expenses, premise and office expenses and legal and other professional fees as a result of actions taken to align our cost structure with the lower level of business demand and restrictions implemented by various governmental agencies due to COVID-19. Also contributing to the decrease in general and administrative expenses was a decrease in integration/acquisition costs related to the purchase of the Acquired Companies. General and administrative expenses, as a percentage of fee revenue, decreased to 11% in fiscal 2021 from 13% in fiscal 2020.

Consulting general and administrative expenses decreased by \$18.5 million, or 28%, to \$48.6 million in fiscal 2021 compared to \$67.1 million in fiscal 2020. The decrease in general and administrative expenses was due to lower marketing and business development expenses, premise and office expenses and travel related expenses as a result of actions taken to align our cost structure with the lower level of business demand and restrictions implemented by various governmental agencies due to COVID-19. Consulting general and administrative expenses, as a percentage of fee revenue, decreased to 9% in fiscal 2021 from 12% in fiscal 2020.

Digital general and administrative expenses decreased by \$9.6 million, or 25%, to \$29.1 million in fiscal 2021 compared to \$38.7 million in fiscal 2020. The decrease in general and administrative expenses was due to lower travel related expenses, marketing and business development expenses and premise and office expenses as a result of actions taken to align our cost structure with the lower level of business demand and restrictions implemented by various governmental agencies due to COVID-19. Also contributing to the decrease in general and administrative expenses was a decrease in integration/acquisition costs related to the purchase of the Acquired Companies. Digital general and administrative expenses, as a percentage of fee revenue, decreased to 10% in fiscal 2021 from 13% in fiscal 2020.

Executive Search North America general and administrative expenses decreased by \$12.1 million, or 31%, to \$26.9 million in fiscal 2021 from \$39.0 million in fiscal 2020. The decrease in general and administrative expenses was due to lower marketing and business development expenses, premise and office expenses and travel related expenses as a result of actions taken to align our cost structure with the lower level of business demand and restrictions implemented by various governmental agencies due to COVID-19. Executive Search North America general and administrative expenses, as a percentage of fee revenue was 7% in fiscal 2021 compared to 9% in fiscal 2020.

Executive Search EMEA general and administrative expenses decreased by \$5.0 million, or 24%, to \$16.0 million in fiscal 2021 from \$21.0 million in fiscal 2020. The decrease in general and administrative expenses was due to lower marketing and business development expenses and travel related expenses as a result of actions taken to align our cost structure with the lower level of business demand and restrictions implemented by various governmental agencies due to COVID-19. Also contributing to the decrease in general and administrative expenses was the impact of foreign currency with foreign exchange gains in fiscal 2021 compared to foreign currency losses in fiscal 2020. Executive Search EMEA general and administrative expenses, as a percentage of fee revenue was 12% in both fiscal 2021 and 2020.

Executive Search Asia Pacific general and administrative expenses decreased by \$2.0 million, or 19%, to \$8.6 million in fiscal 2021 from \$10.6 million in fiscal 2020. The decrease in general and administrative expenses was due to lower premise and office expenses, marketing and business development expenses and travel related expenses as a result of actions taken to align our cost structure with the lower level of business demand and restrictions



implemented by various governmental agencies due to COVID-19. Executive Search Asia Pacific general and administrative expenses, as a percentage of fee revenue was 10% in fiscal 2021 compared to 11% in fiscal 2020.

Executive Search Latin America general and administrative expenses decreased by \$2.1 million, or 49%, to \$2.2 million in fiscal 2021 from \$4.3 million in fiscal 2020. The decrease in general and administrative expenses was due to lower premise and office expenses and marketing and business development expenses as a result of actions taken to align our cost structure with the lower level of business demand and restrictions implemented by various governmental agencies due to COVID-19. Executive Search Latin America general and administrative expenses, as a percentage of fee revenue was 12% in fiscal 2021 compared to 15% in fiscal 2020.

RPO & Professional Search general and administrative expenses decreased by \$6.4 million, or 21%, to \$24.8 million in fiscal 2021 from \$31.2 million in fiscal 2020. The decrease in general and administrative expenses was due to lower travel related expenses and marketing and business development expenses as a result of actions taken to align our cost structure with the lower level of business demand and restrictions implemented by various governmental agencies due to COVID-19. Also contributing to the decrease in general and administrative expenses was the impact of foreign currency with foreign exchange gains in fiscal 2021 compared to foreign currency losses in fiscal 2020. RPO & Professional Search general and administrative expenses, as a percentage of fee revenue, was 7% in fiscal 2021 compared to 9% in fiscal 2020.

Corporate general and administrative expenses decreased by \$11.5 million, or 24%, to \$35.5 million in fiscal 2021 compared to \$47.0 million in fiscal 2020. The decrease in general and administrative expenses was due to lower marketing and business development expenses, legal and other professional fees and travel related expenses as a result of actions taken to align our cost structure with the lower level of business demand and restrictions implemented by various governmental agencies due to COVID-19. Also contributing to the decrease in general and administrative expenses was a decrease in integration/acquisition costs related to the purchase of the Acquired Companies.

Cost of Services Expense

Cost of services expense consists primarily of contractor and product costs related to the delivery of various services and products, primarily in RPO & Professional Search, Consulting and Digital. Cost of services expense was \$72.0 million in fiscal 2021 compared to \$85.9 million in fiscal 2020. Cost of services expense, as a percentage of fee revenue, was 4% in both fiscal 2021 and 2020.

Depreciation and Amortization Expenses

Depreciation and amortization expenses were \$61.8 million in fiscal 2021, an increase of \$6.5 million, or 12%, compared to \$55.3 million in fiscal 2020. The increase was primarily from the Digital segment due to the acquisition of the Acquired Companies and technology investments made in the current and prior year in software and computer equipment.

Restructuring Charges, Net

In November 2019, we implemented a restructuring plan to eliminate redundant positions that were created due to investments made in our Digital business and the acquisition of the Acquired Companies. In April 2020, we implemented a second plan in response to the uncertainty caused by COVID-19 that resulted in reductions in our workforce. We continued the implementation of the second plan in fiscal 2021 and as a result of these plans recorded restructuring charges, net of \$30.7 million and \$58.6 million of severance costs in fiscal 2021 and 2020, respectively.

Net Income Attributable to Korn Ferry

Net income attributable to Korn Ferry increased by \$9.6 million to \$114.5 million in fiscal 2021 compared to \$104.9 million in fiscal 2020. The increase was mainly driven by decreases in general and administrative expenses and cost of services expense associated with actions taken to align our cost structure with the lower level of business demand. A decline in restructuring charges, net and an increase in other income, net contributed to the increase in net income attributable to Korn Ferry as well. These changes were partially offset by a decrease in fee revenue and increases in interest expense, net and depreciation and amortization expense. Net income attributable to Korn Ferry, as a percentage of fee revenue, was 6% in fiscal 2021 as compared to 5% in fiscal 2020.

Adjusted EBITDA

Adjusted EBITDA decreased by \$14.7 million to \$286.3 million in fiscal 2021 compared to \$301.0 million in fiscal 2020. The decrease in Adjusted EBITDA was driven by a decline in fee revenue that resulted from actions taken by various government and other authoritative bodies in response to COVID-19 that caused a contraction in economic activity during the year. This decrease was partially offset by a decline in general and administrative expenses (excluding integration/acquisition costs), which resulted from the cost savings initiatives that were put in place in response to COVID-19. Adjusted EBITDA, as a percentage of fee revenue, was 16% in both fiscal 2021 and 2020.



Consulting Adjusted EBITDA was \$81.5 million in fiscal 2021, an increase of \$20.4 million, or 33% compared to \$61.1 million in fiscal 2020. The increase was driven by decreases in general and administrative expenses, cost of services expense and compensation and benefits expense, which resulted from the cost savings initiatives that were put in place in response to COVID-19. These changes were partially offset by a decrease to fee revenue that resulted from actions taken by various government and other authoritative bodies in response to COVID-19 that caused a contraction in economic activity during the year. Consulting Adjusted EBITDA, as a percentage of fee revenue, was 16% in fiscal 2021 compared to 11% in fiscal 2020.

Digital Adjusted EBITDA was \$86.1 million in fiscal 2021, an increase of \$3.0 million, or 4%, compared to \$83.1 million in fiscal 2020. The increase was driven by decreases in general and administrative expenses (excluding integration/acquisition costs) and compensation and benefits expense (excluding integration/acquisition costs) in fiscal 2021 compared to fiscal 2020, which resulted from the cost savings initiatives that were put in place in response to COVID-19. These increases were partially offset by lower fee revenue that resulted from actions taken by various government and other authoritative bodies in response to COVID-19 that caused a contraction in economic activity during the year. Digital Adjusted EBITDA, as a percentage of fee revenue, was 30% in fiscal 2021 as compared to 28% in fiscal 2020.

Executive Search North America Adjusted EBITDA decreased by \$22.6 million, or 19%, to \$98.1 million in fiscal 2021 compared to \$120.7 million in fiscal 2020. The decrease was driven by lower fee revenue that resulted from actions taken by various government and other authoritative bodies in response to COVID-19 that caused a contraction in economic activity during the year, as well as an increase in compensation and benefits expense. These changes were partially offset by a decrease in general and administrative expenses, which resulted from the cost savings initiatives that were put in place in response to COVID-19. Executive Search North America Adjusted EBITDA, as a percentage of fee revenue, was 25% in fiscal 2021 compared to 28% in fiscal 2020.

Executive Search EMEA Adjusted EBITDA decreased by \$19.4 million, or 62%, to \$11.7 million in fiscal 2021 compared to \$31.1 million in fiscal 2020. The decrease was driven by lower fee revenue that resulted from actions taken by various government and other authoritative bodies in response to COVID-19 that caused a contraction in economic activity during the year. This was partially offset by decreases in compensation and benefits expense (excluding separation costs) and general and administrative expenses, which resulted from the cost savings initiatives that were put in place in response to COVID-19. Executive Search EMEA Adjusted EBITDA, as a percentage of fee revenue, was 8% in fiscal 2021 compared to 18% in fiscal 2020.

Executive Search Asia Pacific Adjusted EBITDA decreased by \$6.2 million, or 27%, to \$16.7 million in fiscal 2021 compared to \$22.9 million in fiscal 2020. The decrease was driven by lower fee revenue that resulted from actions taken by various government and other authoritative bodies in response to COVID-19 that caused a contraction in economic activity during the year. This decrease was partially offset by decreases in compensation and benefits expense and general and administrative expenses, which resulted from the cost savings initiatives that were put in place in response to COVID-19. Executive Search Asia Pacific Adjusted EBITDA, as a percentage of fee revenue, was 20% in fiscal 2021 compared to 23% in fiscal 2020.

Executive Search Latin America Adjusted EBITDA decreased by \$5.1 million, or 80%, to \$1.3 million in fiscal 2021 compared to \$6.4 million in fiscal 2020. The decrease was driven by lower fee revenue that resulted from actions taken by various government and other authoritative bodies in response to COVID-19 that caused a contraction in economic activity during the year. This decrease was partially offset by decreases in compensation and benefits expense and general and administrative expenses, which resulted from the cost savings initiatives that were put in place in response to COVID-19. Executive Search Latin America Adjusted EBITDA, as a percentage of fee revenue, was 7% in fiscal 2021 compared to 22% in fiscal 2020.

RPO & Professional Search Adjusted EBITDA was \$69.4 million in fiscal 2021, an increase of \$9.2 million, or 15%, compared to \$60.2 million in fiscal 2020. The increase was driven by higher fee revenue and a decrease in general and administrative expenses, which resulted from cost savings initiatives that were put in place in response to COVID-19. These changes were partially offset by an increase in compensation and benefits expense. RPO & Professional Search Adjusted EBITDA, as a percentage of fee revenue, was 19% in fiscal 2021 compared to 17% in fiscal 2020.



Other Income (Loss), Net

Other income, net was \$37.2 million in fiscal 2021 compared to other loss, net of \$2.9 million in fiscal 2020. The change from other loss, net to other income, net was primarily due to gains in the fair value of our marketable securities recognized in fiscal 2021 compared to losses in fiscal 2020. These gains recorded in fiscal 2021 were offset by the increases in our deferred compensation liability that were recorded as increases in compensation and benefits expense in fiscal 2021.

Interest Expense, Net

Interest expense, net primarily relates to our Notes issued in December 2019, our prior credit agreement, and borrowings under our COLI policies, which are partially offset by interest earned on cash and cash equivalent balances. Interest expense, net was \$29.3 million in fiscal 2021 compared to \$22.2 million in fiscal 2020. The increase in interest expense, net was related to the Notes, which have a higher interest rate than the revolver under our prior credit agreement that was outstanding for most of fiscal 2020.

Income Tax Provision

The provision for income tax was \$48.1 million in fiscal 2021 compared to \$43.9 million in fiscal 2020. This reflects a 29% effective tax rate in both fiscal 2021 and 2020.

Net Income Attributable to Noncontrolling Interest

Net income attributable to noncontrolling interest represents the portion of a subsidiary's net earnings that are attributable to shares of such subsidiary not held by Korn Ferry that are included in the consolidated results of operations. Net income attributable to noncontrolling interest was \$1.1 million and \$2.1 million in fiscal 2021 and 2020, respectively.

Fiscal 2020 Compared to Fiscal 2019

We changed the presentation from the last year's Form 10-K to reflect the performance of each of our seven reportable segments.

Fee Revenue

Fee Revenue. Fee revenue increased by \$6.7 million, or 0.3%, to \$1,932.7 million in fiscal 2020 compared to \$1,926.0 million in fiscal 2019. Exchange rates unfavorably impacted fee revenue by \$36.2 million, or 2%, in fiscal 2020 compared to fiscal 2019. The higher fee revenue was attributable to fee revenue generated from the Acquired Companies and growth in RPO & Professional Search, offset by decreases in Executive Search and Consulting principally impacted by COVID-19 in the fourth quarter of fiscal 2020.

Consulting. Consulting reported fee revenue of \$543.1 million in fiscal 2020, a decrease of \$25.2 million, or 4%, compared to \$568.3 million in fiscal 2019. Exchange rates unfavorably impacted fee revenue by \$10.9 million, or 2%, compared to fiscal 2019. The decrease was primarily due to the impact of COVID-19 in the fourth quarter of fiscal 2020.

Digital. Digital reported fee revenue of \$292.4 million in fiscal 2020, an increase of \$39.7 million, or 16%, compared to \$252.7 million in fiscal 2019. The higher fee revenue was attributable to fee revenue generated from the Acquired Companies. Exchange rates unfavorably impacted fee revenue by \$6.4 million, or 3%, compared to fiscal 2019.

Executive Search North America reported fee revenue of \$434.6 million in fiscal 2020, a decrease of \$21.2 million, or 5%, compared to \$455.8 million in fiscal 2019. North America's fee revenue was lower due to a 7% decrease in the number of engagements billed, partially offset by a 3% increase in the weighted-average fees billed per engagement (calculated using local currency) in fiscal 2020 compared to fiscal 2019.

Executive Search EMEA reported fee revenue of \$170.3 million in fiscal 2020, a decrease of \$12.5 million, or 7%, compared to \$182.8 million in fiscal 2019. Exchange rates unfavorably impacted fee revenue by \$5.9 million, or 3%, in fiscal 2020, compared to fiscal 2019. The decrease in fee revenue was due to a 3% decrease in the number of engagements billed and a 1% decrease in the weighted-average fees billed per engagement (calculated using local currency) in fiscal 2020 compared to fiscal 2019. The performance in Germany, United Kingdom, Norway, Sweden and Denmark were the primary contributors to the decrease in fee revenue in fiscal 2020 compared to fiscal 2019.

Executive Search Asia Pacific reported fee revenue of \$98.1 million in fiscal 2020, a decrease of \$6.2 million, or 6%, compared to \$104.3 million in fiscal 2019. Exchange rates unfavorably impacted fee revenue by \$2.9 million, or 3%, in fiscal 2020, compared to fiscal 2019. The decrease in fee revenue was due to a 5% decrease in the number of engagements billed, partially offset by a 2% increase in the weighted-average fees billed per engagement (calculated using local currency) in fiscal 2020 compared to fiscal 2019. The performance in Australia and China were the primary contributors to the decrease in fee revenue, partially offset by increases in fee revenue in Singapore and Japan in fiscal 2020 compared to fiscal 2019.



Executive Search Latin America reported fee revenue of \$29.4 million in fiscal 2020, a decrease of \$2.5 million, or 8%, compared to \$31.9 million in fiscal 2019. Exchange rates unfavorably impacted fee revenue by \$2.6 million, or 8%, in fiscal 2020, compared to fiscal 2019. The decrease in fee revenue was due to lower fee revenue in Brazil, Colombia and Argentina, partially offset by increases in fee revenue in Mexico and Chile in fiscal 2020 compared to fiscal 2019.

RPO & Professional Search. RPO & Professional Search reported fee revenue of \$364.8 million in fiscal 2020, an increase of \$34.7 million, or 11%, compared to \$330.1 million in fiscal 2019. Exchange rates unfavorably impacted fee revenue by \$6.9 million, or 2%, compared to fiscal 2019. Higher fee revenues in RPO and professional search of \$26.4 million and \$8.3 million, respectively, drove the increase in fee revenue.

Compensation and Benefits

Compensation and benefits expense decreased \$13.2 million, or 1%, to \$1,298.0 million in fiscal 2020 from \$1,311.2 million in fiscal 2019. Exchange rates favorably impacted compensation and benefits by \$22.6 million, or 2%, in fiscal 2020 compared to fiscal 2019. The decrease in compensation and benefits expense was due to lower performance-related bonus expense due to lower fee revenue as a result of the COVID-19 pandemic, a decrease in expenses associated with our deferred compensation and retirement plans driven by a decrease in the fair value of participants' accounts and a decrease in integration/ acquisition costs. These decreases in compensation and benefits expense were partially offset by a 3% increase in average headcount, which contributed to an increase in salaries and related payroll taxes in fiscal 2020 compared to fiscal 2019. Compensation and benefits expense, as a percentage of fee revenue, decreased to 67% in fiscal 2020 from 68% in fiscal 2019.

Consulting compensation and benefits expense decreased by \$17.8 million, or 5%, to \$373.2 million in fiscal 2020 from \$391.0 million in fiscal 2019. Exchange rates favorably impacted compensation and benefits by \$7.8 million, or 2%, in fiscal 2020 compared to fiscal 2019. The change was primarily due to lower performance-related bonus expense due to lower fee revenue as a result of the COVID-19 pandemic, partially offset by an increase in salaries and related payroll taxes. Consulting compensation and benefits expense, as a percentage of fee revenue, was 69% for both the fiscal 2020 and 2019.

Digital compensation and benefits expense increased by \$16.6 million, or 12%, to \$149.7 million in fiscal 2020 from \$133.1 million in fiscal 2019. Exchange rates favorably impacted compensation and benefits by \$2.8 million, or 2%, in fiscal 2020 compared to fiscal 2019. The increase in compensation and benefits expense was due to an increase in salaries and related payroll taxes mainly from the Acquired Companies resulting in a 12% increase in the average headcount in fiscal 2020 compared to fiscal 2019. Digital compensation and benefits expense, as a percentage of fee revenue, decreased to 51% in fiscal 2020 from 53% in fiscal 2019.

Executive Search North America compensation and benefits expense decreased by \$16.3 million, or 6%, to \$269.7 million in fiscal 2020 compared to \$286.0 million in fiscal 2019. The decrease was due to lower performance-related bonus expense due to lower fee revenue as a result of the COVID-19 pandemic. The rest of the change was due to a decrease in the expenses associated with our deferred compensation and retirement plans driven by a decrease in the fair value of participants' accounts. Executive Search North America compensation and benefits expense, as a percentage of fee revenue, decreased to 62% in fiscal 2020 from 63% in fiscal 2019.

Executive Search EMEA compensation and benefits expense decreased by \$9.1 million, or 7%, to \$119.7 million in fiscal 2020 compared to \$128.8 million in fiscal 2019. Exchange rates favorably impacted compensation and benefits by \$3.8 million, in fiscal 2020 compared to fiscal 2019. The decrease was primarily due to lower performance-related bonus expense due to lower fee revenue as a result of the COVID-19 pandemic. Executive Search EMEA compensation and benefits expense, as a percentage of fee revenue, was 70% in both fiscal 2020 and 2019.

Executive Search Asia Pacific compensation and benefits expense decreased by \$2.9 million, or 4%, to \$64.3 million in fiscal 2020 compared to \$67.2 million in fiscal 2019. Exchange rates favorably impacted compensation and benefits by \$1.8 million, in fiscal 2020 compared to fiscal 2019. The decrease was due to lower performance-related bonus expense due to lower fee revenue as a result of the COVID-19 pandemic. Executive Search Asia Pacific compensation and benefits expense, as a percentage of fee revenue, increased to 65% in fiscal 2020 from 64% in fiscal 2019.

Executive Search Latin America compensation and benefits expense decreased by \$1.8 million, or 9%, to \$18.7 million in fiscal 2020 compared to \$20.5 million in fiscal 2019. Exchange rates favorably impacted compensation and benefits by \$1.6 million, in fiscal 2020 compared to fiscal 2019. The decrease in compensation and benefits expense was due to a decrease in salaries and related payroll taxes as a result of a 5% decrease in the average headcount in fiscal 2020 compared to fiscal 2019. Executive Search Latin America compensation and benefits expense, as a percentage of fee revenue, was 64% for both fiscal 2020 and fiscal 2019.

RPO & Professional Search compensation and benefits expense increased by \$26.4 million, or 11%, to \$261.0 million in fiscal 2020 from \$234.6 million in fiscal 2019. Exchange rates favorably impacted compensation and



benefits by \$4.5 million, or 2%, in fiscal 2020 compared to fiscal 2019. The increase was due to a 14% increase in the average headcount in fiscal 2020 compared to fiscal 2019, partially offset by a decrease in lower performance-related bonus expense due to lower fee revenue as a result of the COVID-19 pandemic. RPO & Professional Search compensation and benefits expense, as a percentage of fee revenue, increased to 72% in fiscal 2020 from 71% in fiscal 2019.

Corporate compensation and benefits expense decreased by \$8.4 million, or 17%, to \$41.7 million in fiscal 2020 from \$50.1 million in fiscal 2019. The decrease was primarily due to lower performance-related bonus expense due to lower fee revenue as a result of the COVID-19 pandemic and a decrease in expenses associated with our deferred compensation and retirement plans in fiscal 2020 compared to fiscal 2019.

General and Administrative Expenses

General and administrative expenses decreased \$93.0 million, or 26%, to \$259.0 million in fiscal 2020 compared to \$352.0 million in fiscal 2019. Exchange rates favorably impacted general and administrative expenses by \$6.2 million, or 2%, in fiscal 2020 compared to fiscal 2019. The decrease in general and administrative expenses was magnified by a one-time write-off of tradenames of \$106.6 million in fiscal 2019 related to the Plan. The decrease in general and administrative expenses was partially offset by increases in marketing and business development expenses and integration/acquisition costs. General and administrative expenses, as a percentage of fee revenue, decreased to 13% in fiscal 2020 from 18% in fiscal 2019, however, excluding the tradename write-offs, general and administrative expenses as a percentage of fee revenue was 13% in both fiscal 2020 and 2019.

Consulting general and administrative expenses decreased by \$79.1 million, or 54%, to \$67.1 million in fiscal 2020 compared to \$146.2 million in fiscal 2019. The decrease in general and administrative expenses was magnified by a one-time write-off of tradenames related to the Plan of \$77.0 million in fiscal 2019. Consulting general and administrative expenses, as a percentage of fee revenue, decreased to 12% in fiscal 2020 from 26% in fiscal 2019. Excluding the tradename write-offs, general and administrative expenses as a percentage of fee revenue was 12% in both fiscal 2020 and 2019.

Digital general and administrative expenses decreased by \$19.4 million, or 33%, to \$38.7 million in fiscal 2020 compared to \$58.1 million in fiscal 2019. The decrease in general and administrative expenses was magnified by a one-time write-off of tradenames related to the Plan of \$29.6 million in fiscal 2019, partially offset by an increase in integration/acquisition costs and premise and office expenses. Digital general and administrative expenses, as a percentage of fee revenue, decreased to 13% in fiscal 2020 from 23% in fiscal 2019. Excluding the tradename write-offs, general and administrative expenses as a percentage of fee revenue was 13% in fiscal 2020 compared to 11% in fiscal 2019.

Executive Search North America general and administrative expenses decreased by \$2.9 million, or 7%, to \$39.0 million in fiscal 2020 from \$41.9 million in fiscal 2019. The decrease in general and administrative expenses was primarily due to decreases in legal and other professional fees and travel related expenses in fiscal 2020 compared to fiscal 2019. Executive Search North America general and administrative expenses, as a percentage of fee revenue, was 9% for both fiscal 2020 and 2019.

Executive Search EMEA general and administrative expenses decreased by \$1.3 million, or 6%, to \$21.0 million in fiscal 2020 from \$22.3 million in fiscal 2019. The decrease in general and administrative expenses was primarily due to decreases in travel related expenses and premise and office expenses, partially offset by an increase in foreign currency losses in fiscal 2020 compared to fiscal 2019. Executive Search EMEA general and administrative expenses, as a percentage of fee revenue, was 12% for both fiscal 2020 and 2019.

Executive Search Asia Pacific general and administrative expenses decreased by \$0.3 million, or 3%, to \$10.6 million in fiscal 2020 from \$10.9 million in fiscal 2019. The decrease in general and administrative expenses was primarily due to decreases in legal and other professional fees, travel related expenses and foreign currency gains in fiscal 2020 compared to foreign currency losses in fiscal 2019. This was partially offset by an increase in bad debt expense in fiscal 2020 compared to fiscal 2019. Executive Search Asia Pacific general and administrative expenses, as a percentage of fee revenue, increased to 11% in fiscal 2020 from 10% in fiscal 2019.

Executive Search Latin America general and administrative expenses decreased by \$2.7 million, or 39%, to \$4.3 million in fiscal 2020 from \$7.0 million in fiscal 2019. The decrease in general and administrative expenses was primarily due to a decrease in premise and office expenses and to a lesser extent foreign currency gains in fiscal 2020 compared to foreign currency losses in fiscal 2019. Executive Search Latin America general and administrative expenses, as a percentage of fee revenue, decreased to 15% in fiscal 2020 from 22% in fiscal 2019.

RPO & Professional Search general and administrative expenses increased by \$3.1 million, or 11%, to \$31.2 million in fiscal 2020 from \$28.1 million in fiscal 2019. The increase was primarily due to an increase in premise and office expense and to a lesser extent foreign exchange loss in fiscal 2020 compared to foreign exchange gain in fiscal



2019. RPO & Professional Search general and administrative expenses, as a percentage of fee revenue, was 9% in both fiscal 2020 and 2019.

Corporate general and administrative expenses increased by \$9.5 million, or 25%, to \$47.0 million in fiscal 2020 compared to \$37.5 million in fiscal 2019. The increase was due to integration/acquisition costs incurred in fiscal 2020 related to the purchase of the Acquired Companies and increases in marketing and business development expenses in fiscal 2020 compared to fiscal 2019.

Cost of Services Expense

Cost of services expense consists primarily of contractor and product costs related to the delivery of various services and products, primarily in RPO & Professional Search, Consulting and Digital. Cost of services expense was \$85.9 million in fiscal 2020 compared to \$75.5 million in fiscal 2019. Cost of services expense, as a percentage of fee revenue, was 4% in both the fiscal 2020 and 2019.

Depreciation and Amortization Expenses

Depreciation and amortization expenses were \$55.3 million in fiscal 2020, an increase of \$8.8 million, or 19%, compared to \$46.5 million in fiscal 2019. The increase was related primarily to the Acquired Companies and technology investments made in the current and prior year in software and computer equipment, in addition to increases in leasehold improvement and furniture and fixtures.

Restructuring Charges, Net

In November 2019, we implemented a restructuring plan to eliminate redundant positions that were created due to investments made in our digital business and the acquisition of the Acquired Companies. In April 2020, we implemented a second plan in response to the uncertainty caused by COVID-19 that resulted in reductions in our workforce. As a result of these two plans, we recorded restructuring charges of \$58.6 million of severance costs in fiscal 2020. There were no restructuring charges in fiscal 2019.

Net Income Attributable to Korn Ferry

Net income attributable to Korn Ferry increased by \$2.2 million to \$104.9 million in fiscal 2020 compared to \$102.7 million in fiscal 2019. The increase was primarily driven by lower operating expenses of \$31.7 million, partially offset by an increase in income tax expense of \$14.4 million and losses in the fair value of our marketable securities incurred in fiscal 2020 compared to gains in fiscal 2019. Net income attributable to Korn Ferry, as a percentage of fee revenue, was 5% in both the fiscal 2020 and 2019.

Adjusted EBITDA

Adjusted EBITDA decreased by \$10.0 million to \$301.0 million in fiscal 2020 compared to \$311.0 million in fiscal 2019. Adjusted EBITDA, as a percentage of fee revenue, was 16% in both the fiscal 2020 and 2019.

Consulting Adjusted EBITDA was \$61.1 million in fiscal 2020, a decrease of \$5.4 million, or 8%, compared to \$66.5 million in fiscal 2019. The decrease was driven by lower fee revenue of \$25.2 million largely due to the impact of COVID-19 in the fourth quarter of fiscal 2020. The decrease in adjusted EBITDA was partially offset by decreases of \$12.5 million in compensation and benefits expense (excluding integration/acquisition costs), \$6.0 million in cost of services expense and \$2.1 million in general and administrative expenses (excluding tradename write-offs in fiscal 2019) in fiscal 2020 compared to fiscal 2019. Consulting Adjusted EBITDA, as a percentage of fee revenue, was 11% in fiscal 2020 compared to 12% in fiscal 2019.

Digital Adjusted EBITDA was \$83.1 million in fiscal 2020, a decrease of \$1.4 million, or 2%, compared to \$84.5 million in fiscal 2019. The decrease was driven by higher compensation and benefits expense (excluding integration/acquisition costs) of \$15.5 million, higher cost of service expenses of \$18.3 million and an increase of \$6.7 million in general and administrative expenses (excluding integration/acquisition costs in fiscal 2020 and write-off of tradenames in fiscal 2019). This was partially offset by an increase of \$39.7 million in fee revenue in fiscal 2020 compared to fiscal 2019. Digital Adjusted EBITDA, as a percentage of fee revenue, was 28% in fiscal 2020 as compared to 33% in fiscal 2019.

Executive Search North America Adjusted EBITDA decreased by \$10.6 million, or 8%, to \$120.7 million in fiscal 2020 compared to \$131.3 million in fiscal 2019. The decrease was driven by lower fee revenue of \$21.2 million in fiscal 2020 compared to fiscal 2019 largely due to the impact of COVID-19 in the fourth quarter of fiscal 2020 and losses in the fair value of our marketable securities incurred in fiscal 2020 compared to gains in fiscal 2019. The decrease in Adjusted EBITDA was partially offset by a decrease of \$16.3 million in compensation and benefits expense and \$2.9 million in general and administrative expenses. Executive Search North America Adjusted EBITDA, as a percentage of fee revenue, decreased to 28% in fiscal 2020 from 29% in fiscal 2019.

Executive Search EMEA Adjusted EBITDA decreased by \$0.6 million, or 2%, to \$31.1 million in fiscal 2020 compared to \$31.7 million in fiscal 2019. The decrease was driven by lower fee revenue of \$12.5 million in fiscal 2020 compared



to fiscal 2019 largely due to the impact of COVID-19 in the fourth quarter of fiscal 2020. The decrease in Adjusted EBITDA was partially offset by a decrease of \$10.9 million in compensation and benefits expense (excluding separation costs in fiscal 2020) and \$1.3 million in general and administrative expenses. Executive Search EMEA Adjusted EBITDA, as a percentage of fee revenue, increased to 18% in fiscal 2020 from 17% in fiscal 2019.

Executive Search Asia Pacific Adjusted EBITDA decreased by \$3.2 million, or 12%, to \$22.9 million in fiscal 2020 compared to \$26.1 million in fiscal 2019. The decrease was driven by lower fee revenue of \$6.2 million in fiscal 2020 compared to fiscal 2019 largely due to the impact of COVID-19 in the fourth quarter of fiscal 2020. The decrease in Adjusted EBITDA was partially offset by a decrease of \$2.9 million in compensation and benefits expense and \$0.3 million in general and administrative expenses. Executive Search Asia Pacific Adjusted EBITDA, as a percentage of fee revenue, decreased to 23% in fiscal 2020 from 25% in fiscal 2019.

Executive Search Latin America Adjusted EBITDA increased by \$1.7 million, or 36%, to \$6.4 million in fiscal 2020 compared to \$4.7 million in fiscal 2019. The increase was driven by decreases of \$2.7 million in general and administrative expenses and \$1.8 million in compensation and benefits expense. The increase was partially offset by lower fee revenue of \$2.5 million in fiscal 2020 compared to fiscal 2019 largely due to the impact of COVID-19 in the fourth quarter of fiscal 2020. Executive Search Latin America Adjusted EBITDA, as a percentage of fee revenue, increased to 22% in fiscal 2020 from 15% in fiscal 2019.

RPO & Professional Search Adjusted EBITDA was \$60.2 million in fiscal 2020, an increase of \$5.8 million, or 11%, compared to \$54.4 million in fiscal 2019. The increase was driven by higher fee revenue of \$34.7 million driven by higher fee revenues in RPO and professional search of \$26.4 million and \$8.3 million, respectively. The increase in adjusted EBITDA was partially offset by increases of \$26.4 million in compensation and benefits expense and \$3.1 million in general and administrative expenses, in fiscal 2020 compared to fiscal 2019. RPO & Professional Search Adjusted EBITDA, as a percentage of fee revenue, was 17% in fiscal 2020 compared to 16% in fiscal 2019.

Other (Loss) Income, Net

Other loss, net was \$2.9 million in fiscal 2020 compared to other income, net of \$10.4 million in fiscal 2019. The change from other income, net to other loss, net was primarily due to losses in the fair value of our marketable securities incurred in fiscal 2020 compared to gains in fiscal 2019. These losses were offset by the decreases in our deferred compensation liability that are recorded as decreases in compensation and benefits expense in fiscal 2020.

Interest Expense, Net

Interest expense, net primarily relates to the 4.625% Senior Unsecured Notes due 2027 (the "Notes") issued in December 2019, our prior credit agreement, and borrowings under our COLI policies, which are partially offset by interest earned on cash and cash equivalent balances. Interest expense, net was \$22.2 million in fiscal 2020 compared to \$16.9 million in fiscal 2019. The increase in interest expense, net was related to the newly issued Notes, which have a higher interest rate and a higher principal balance than the revolver under our prior credit agreement.

Income Tax Provision

The provision for income tax was \$43.9 million in fiscal 2020 compared to \$29.5 million in fiscal 2019. This reflects a 29% and 22% effective tax rate for fiscal 2020 and 2019, respectively. The higher effective tax rate in fiscal 2020 is partially attributable to state income tax on a higher domestic income and a lower tax benefit recorded in connection with stock-based compensation than during fiscal 2019.

Net Income Attributable to Noncontrolling Interest

Net income attributable to noncontrolling interest represents the portion of a subsidiary's net earnings that are attributable to shares of such subsidiary not held by Korn Ferry that are included in the consolidated results of operations. Net income attributable to noncontrolling interest was \$2.1 million in both fiscal 2020 and 2019.

Liquidity and Capital Resources

The Company and its Board of Directors endorse a balanced approach to capital allocation. The Company's long-term priority is to invest in growth initiatives, such as the hiring of consultants, the continued development of IP and derivative products and services, and the investment in synergistic, accretive merger and acquisition transactions that earn a return that is superior to the Company's cost of capital. Next, the Company's capital allocation approach contemplates the return of a portion of excess capital to stockholders, in the form of a regular quarterly dividend, subject to the factors discussed below and in the "Risk Factors" section of this Annual Report on Form 10-K. Additionally, the Company considers share repurchases on an opportunistic basis and subject to the terms of our Credit Agreement (defined below) as well as using excess cash to repay the Notes.



On November 1, 2019, we completed the acquisition of the Acquired Companies in the leadership development area for \$108.6 million, net of cash acquired. Actual results of operations of the Acquired Companies are included in our consolidated financial statements from November 1, 2019, the effective date of the acquisition. On November 1, 2019, we also adopted a restructuring plan to rationalize our cost structure to position us to realize efficiencies and operational improvements.

As previously discussed under the heading "Impact of COVID-19", with the implementation of the restructuring plan that was initiated on April 20, 2020 to reduce, in part, our human capital expenditures, and the improved business activity we experienced in the second, third, and fourth quarter demonstrated by an increase in fee revenue compared to the first quarter of fiscal 2021, we believe our costs are in line with our current revenue levels, but given the unpredictable and fluid nature of the pandemic and its economic consequences our revenue levels could fall below our current levels. Given the amount available from our current revolver and the amount of cash and cash equivalents and marketable securities net of amounts held in trust for deferred compensations and accrued bonuses, we believe that we have sufficient liquidity to meet our anticipated working capital, capital expenditures, general corporate requirements, repayment of the debt obligations and dividend payments under our dividend policy in the next 12 months.

On December 16, 2019, we completed a private placement of the Notes with a \$400 million principal amount pursuant to Rule 144A and Regulation S under the Securities Act of 1933, as amended. The Notes were issued with a \$4.5 million discount and will mature December 15, 2027, with interest payable semi-annually in arrears on June 15 and December 15 of each year, that commenced on June 15, 2020. The Notes represent senior unsecured obligations that rank equally in right of payment to all existing and future senior unsecured indebtedness. We may redeem the Notes prior to maturity, subject to certain limitations and premiums defined in the indenture governing the Notes. The Notes are guaranteed by each of our existing and future wholly owned domestic subsidiaries to the extent such subsidiaries guarantee our revolving credit facility under the Credit Agreement (defined below). The indenture governing the Notes requires that, upon the occurrence of both a Change of Control and a Rating Decline (each as defined in the indenture), we shall make an offer to purchase all of the Notes at 101% of their principal amount, and accrued and unpaid interest. We used the proceeds from the offering of the Notes to repay \$276.9 million outstanding under our prior revolving credit facility (the "Prior Credit Agreement") and to pay expenses and fees in connection therewith. As of April 30, 2021, the fair value of the Notes is \$416.5 million, which is based on borrowing rates currently required of notes with similar terms, maturity and credit risk.

On December 16, 2019, we also entered into a senior secured \$650.0 million credit agreement (the "Credit Agreement") with a syndicate of banks and Bank of America, National Association as administrative agent to among other things, provide for enhanced financial flexibility. See Note 11—*Long-Term Debt* for a description of the Credit Agreement. We had a total of \$646.0 million available under our \$650.0 million five-year senior secured revolving credit facility (the "Revolver") after \$4.0 million of standby letters of credit had been issued as of April 30, 2021 and 2020. We had a total of \$11.0 million and \$11.3 million of standby letters of credits with other financial institutions as of April 30, 2021 and 2020, respectively. The standby letters of credits were generally issued as a result of entering into office premise leases.

On December 8, 2014, the Board of Directors adopted a dividend policy to distribute to our stockholders a regular quarterly cash dividend of \$0.10 per share. Every quarter since the adoption of the dividend policy, the Company has declared a quarterly dividend. On June 21, 2021, the Board of Directors approved a 20% increase to our quarterly dividend, which is now at \$0.12 per share. The declaration and payment of future dividends under the quarterly dividend program will be at the discretion of the Board of Directors and will depend upon many factors, including our earnings, capital requirements, financial conditions, the terms of our indebtedness and other factors our Board of Directors may deem to be relevant. Our Board of Directors may, however, amend, revoke or suspend our dividend policy at any time and for any reason.

On March 6, 2019, our Board of Directors approved an increase to the share repurchase program of approximately \$200 million, which at the time brought our available capacity to repurchase shares in the open market or privately negotiated transactions to approximately \$250 million. The Company repurchased approximately \$30.4 million and \$92.4 million of the Company's stock during fiscal 2021 and 2020, respectively. As of April 30, 2021, \$127.9 million remained available for common stock repurchases under our share repurchase program. Any decision to continue to execute our currently outstanding share repurchase program will depend on our earnings, capital requirements, financial condition and other factors considered relevant by our Board of Directors. The Credit Agreement permits us to pay dividends to our stockholders and make share repurchases so long as there is no default under the Credit Agreement, our total funded debt to adjusted EBITDA ratio (as set forth in the Credit Agreement, the "consolidated net leverage ratio") is no greater than 4.00 to 1.00, and pro forma liquidity is at least \$50 million, including the revolving credit commitment minus amounts outstanding on the Revolver, issued letters of credit and swing loans. Furthermore, our Notes allow us to pay \$25 million of dividends per fiscal year with no restrictions plus an unlimited amount of dividends so long as our consolidated total leverage ratio is not greater than 3.50 to 1.00, and there is no default under the indenture governing the Notes.



Our performance is subject to the general level of economic activity in the geographic regions and the industries we service. We believe, based on current economic conditions, that our cash on hand and funds from operations and the Credit Agreement will be sufficient to meet anticipated working capital, capital expenditures, general corporate requirements, repayment of the debt, share repurchases and dividend payments under our dividend policy during the next 12 months. However, if COVID-19 continues to persist or worsen, or the national or global economy, credit market conditions and/or labor markets were to deteriorate in the future, such changes could put negative pressure on demand for our services and affect our operating cash flows. If these conditions were to persist over an extended period of time, we may incur negative cash flows and it might require us to access additional borrowings under the Credit Agreement to meet our capital needs and/or discontinue our share repurchases and dividend policy.

Cash and cash equivalents and marketable securities were \$1,097.1 million and \$863.3 million as of April 30, 2021 and 2020, respectively. Net of amounts held in trust for deferred compensation plans and accrued bonuses, cash and marketable securities were \$642.1 million and \$531.9 million at April 30, 2021 and 2020, respectively. As of April 30, 2021 and 2020, we held \$382.8 million and \$308.2 million, respectively of cash and cash equivalents in foreign locations, net of amounts held in trust for deferred compensation plans and to pay fiscal 2021 annual bonuses. Cash and cash equivalents consist of cash and highly liquid investments purchased with original maturities of three months or less. Marketable securities consist of mutual funds and investments in commercial paper, corporate notes/bonds and US Treasury and Agency securities. The primary objectives of our investment in mutual funds are to meet the obligations under certain of our deferred compensation plans, while the commercial paper, corporate notes/bonds and U.S. Treasury and Agency securities are available for general corporate purposes.

As of April 30, 2021 and 2020, marketable securities of \$246.4 million and \$174.1 million, respectively, included equity securities of \$175.6 million (net of gross unrealized gains of \$30.0 million and gross unrealized losses of \$0.1 million) and \$141.4 million (net of gross unrealized gains of \$3.6 million and gross unrealized losses of \$6.5 million), respectively, were held in trust for settlement of our obligations under certain deferred compensation plans, of which \$166.5 million and \$132.1 million, respectively, are classified as non-current. These marketable securities were held to satisfy vested obligations totaling \$157.3 million and \$124.6 million as of April 30, 2021 and 2020, respectively. Unvested obligations under the deferred compensation plans totaled \$26.5 million and \$21.7 million as of April 30, 2021 and 2020, respectively.

The net increase in our working capital of \$124.2 million as of April 30, 2021 compared to April 30, 2020 is primarily attributable to increases in cash and cash equivalents and accounts receivables, partially offset by increases in compensation and benefits payable. Cash and cash equivalents increased due to cash flows from operations and positive effect of exchange rate changes on cash and cash equivalents, partially offset by capital expenditures, net purchases of marketable securities, repurchases of common stock and dividends to shareholders. The increase in compensation and benefits payable was primarily due to an increase in bonus liability on April 30, 2021 compared to April 30, 2020 and to a lesser extent an increase in the deferred compensation amounts due within a year. The increase in accounts receivable was due to higher fee revenue in the fourth quarter of fiscal 2021 compared to year-ago period and the timing of when the revenue was recognized during the quarter. In fiscal 2021 more revenue was generated towards the end of the quarter whereas in fiscal 2020 more revenue was generated at the beginning of the quarter. Cash provided by operating activities was \$251.4 million in fiscal 2021, an increase of \$15.1 million, compared to \$236.3 million in fiscal 2020.

Cash used in investing activities was \$61.4 million in fiscal 2021 compared to \$198.8 million in fiscal 2020. A decrease in cash used in investing activities was primarily due to cash paid for the acquisition of the Acquired Companies of \$108.6 million in fiscal 2020 and an increase in the proceeds received from life insurance policies. Also contributing to a lower amount of cash used in investing activity was a decrease in the purchase of property and equipment in fiscal 2021 compared to fiscal 2020.

Cash used in financing activities was \$66.9 million in fiscal 2021 compared to cash provided by financing activities of \$43.7 million in fiscal 2020. The change from cash provided to cash used in financing activities was primarily due to net proceeds from long term debt of \$168.6 million in fiscal 2020 as a result of issuing the Notes in the year-ago period and paying off the amount outstanding under the prior revolving credit facility and an increase in payments on life insurance policy loans of \$11.3 million. This was partially offset by lower cash used to repurchase shares of common stock of \$62.1 million.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements and have not entered into any transactions involving unconsolidated, special purpose entities.



Contractual Obligations

Contractual obligations represent future cash commitments and liabilities under agreements with third parties and exclude contingent liabilities for which we cannot reasonably predict future payment. The following table represents our contractual obligations as of April 30, 2021:

	Note (1)	Payments Due in:				
		Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
				(in thousands)		
Operating lease commitments	15	\$ 230,681	\$ 56,636	\$ 89,308	\$ 64,003	\$ 20,734
Finance lease commitments	15	2,437	1,084	1,223	130	—
Accrued restructuring charges	13	6,985	6,410	—	—	575
Interest payments on COLI loans (2)	11	37,927	4,432	8,855	8,727	15,913
Long-term debt	11	400,000	—	—	—	400,000
Estimated interest on long-term debt (3)	11	129,500	18,500	37,000	37,000	37,000
Total		\$ 807,530	\$ 87,062	\$ 136,386	\$ 109,860	\$ 474,222

(1) See the corresponding Note in the accompanying consolidated financial statements in Item 15.

(2) Assumes COLI loans remain outstanding until receipt of death benefits on COLI policies and applies current interest rates on COLI loans ranging from 4.76% to 8.00% with total death benefits payable, net of loans under COLI contracts of \$443.9 million at April 30, 2021.

(3) Interest on the Notes payable semi-annually in arrears on June 15 and December 15 of each year, commenced on June 15, 2020.

In addition to the contractual obligations above, we have liabilities related to certain employee benefit plans. These liabilities are recorded in our consolidated balance sheets. The obligations related to these employee benefit plans are described in Note 6—*Deferred Compensation and Retirement Plans*, in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K.

Lastly, we have contingent commitments under certain employment agreements that are payable upon involuntary termination without cause, as described in Note 17—*Commitments and Contingencies*, in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K.

Cash Surrender Value of Company Owned Life Insurance Policies, Net of Loans

We purchased COLI policies or contracts insuring the lives of certain employees eligible to participate in the deferred compensation and pension plans as a means of funding benefits under such plans. As of April 30, 2021 and 2020, we held contracts with gross cash surrender value ("CSV") of \$241.3 million and \$238.7 million, respectively. Total outstanding borrowings against the CSV of COLI contracts were \$80.0 million and \$92.3 million as of April 30, 2021 and 2020, respectively. Such borrowings do not require annual principal repayments, bear interest primarily at variable rates and are secured by the CSV of COLI contracts. At April 30, 2021 and 2020, the net cash value of these policies was \$161.3 million and \$146.4 million, respectively. Total death benefits payable, net of loans under COLI contracts, were \$443.9 million and \$451.7 million at April 30, 2021 and 2020, respectively.

Long-Term Debt

On December 16, 2019, we completed a private placement of the Notes with a \$400 million principal amount. We may redeem the Notes prior to maturity, subject to certain limitations and premiums defined in the indenture governing the Notes. At any time prior to December 15, 2022, we may redeem at a redemption price equal to 100% of the principal plus the Applicable Premium (as defined in the indenture), and accrued and unpaid interest. At any time prior to December 15, 2022, we may use the proceeds of certain equity offerings to redeem up to 35% of the aggregate principal amount of the Notes, including any permitted additional Notes, at a redemption price equal to 104.625% of the principal amount and accrued and unpaid interest. At any time and from time to time on or after December 15, 2022, we may redeem the Notes at the applicable redemption prices set forth in the table below, plus accrued and unpaid interest, if redeemed during the 12-month period beginning on December 15 of each of the years indicated:

Year	Percentage
2022	102.313%
2023	101.156%
2024 and thereafter	100.000%

The fair value of the Notes is classified as a Level 2 measurement in the fair value hierarchy.



The pay-off of the term loan outstanding under our Prior Credit Agreement is considered a debt modification and therefore, the previously incurred unamortized and current debt issuance costs is amortized over the life of the new issuance.

The principal balance of the Revolver is due on the date of its termination. The Revolver matures on December 16, 2024 and any unpaid principal balance is payable on this date. The Revolver may also be prepaid and terminated early by us at any time without premium or penalty (subject to customary LIBOR breakage fees).

At our option, loans issued under the Credit Agreement will bear interest at either LIBOR or an alternate base rate, in each case plus the applicable interest rate margin. The interest rate applicable to loans outstanding under the Credit Agreement may fluctuate between LIBOR plus 1.25% per annum to LIBOR plus 2.00% per annum, in the case of LIBOR borrowings (or between the alternate base rate plus 0.125% per annum and the alternate base rate plus 1.00% per annum, in the alternative), based upon our total funded debt to adjusted EBITDA ratio (as set forth in the Credit Agreement, the "consolidated net leverage ratio") at such time. In addition, we will be required to pay to the lenders a quarterly commitment fee ranging from 0.175% to 0.35% per annum on the average daily unused amount of the Revolver, based upon our consolidated net leverage ratio at such time, and fees relating to the issuance of letters of credit. During fiscal 2020, the average interest rate on amounts outstanding under the current Revolver and the prior revolver was 3.34%.

As of April 30, 2021 and 2020, there was no outstanding liability under the Revolver. The unamortized debt issuance costs associated with the Credit Agreement were \$3.3 million and \$4.2 million as of April 30, 2021 and 2020, respectively. As of April 30, 2021, we were in compliance with our debt covenants.

We had a total of \$646.0 million available under the Revolver after \$4.0 million of standby letters of credit had been issued as of April 30, 2021 and 2020. We had a total of \$11.0 million and \$11.3 million of standby letters of credits with other financial institutions as of April 30, 2021 and 2020, respectively. The standby letters of credits were generally issued as a result of entering into office premise leases.

Other than the factors discussed in this section and the potential impacts of the COVID-19 on our business, we are not aware of any other trends, demands or commitments that would materially affect liquidity or those that relate to our resources as of April 30, 2021.

Accounting Developments

Recently Adopted Accounting Standards

In June 2016, the Financial Accounting Standards Board (the "FASB") issued guidance on accounting for measurement of credit losses on financial instruments, which amends the impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. The standard became effective for fiscal years beginning after December 15, 2019. We adopted this guidance as of May 1, 2020. The adoption of this guidance did not have a material impact on the consolidated financial statements.

In January 2017, FASB issued guidance simplifying the test for goodwill impairment. The new guidance simplified the test for goodwill impairment by removing Step 2 from the goodwill impairment test. Companies now perform the goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount, recognizing an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value not to exceed the total amount of goodwill allocated to that reporting unit. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The amendments of this standard became effective for goodwill impairment tests in fiscal years beginning after December 15, 2019. We adopted this guidance as of May 1, 2020. The adoption of this guidance did not have a material impact on the consolidated financial statements.

In August 2018, FASB issued guidance amending the disclosure requirements for fair value measurements. The amendment removed and modified disclosures that are currently required and added additional disclosures that are deemed relevant. The amendments of this standard became effective for fiscal years beginning after December 15, 2019. We adopted this guidance as of May 1, 2020. The adoption of this guidance did not have a material impact on the consolidated financial statements.

In August 2018, FASB also issued guidance amending accounting for internal-use software. The new guidance aligned the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with developing or obtaining internal-use software. The amendments of this standard became effective for fiscal years beginning after December 15, 2019, with early adoption permitted. We adopted this guidance as of May 1, 2020. The adoption of this guidance did not have a material impact on the consolidated financial statements.

In December 2019, FASB issued guidance on Simplifying the Accounting for Income Taxes. This update eliminated certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating income



taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The update also simplified aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarified the accounting for transactions that result in a step-up in the tax basis of goodwill. The amendments of this standard are effective for fiscal years beginning after December 15, 2020, with early adoption permitted. We early adopted this guidance in fiscal year beginning May 1, 2020. The adoption of this guidance did not have a material impact on the consolidated financial statements.

Recently Proposed Accounting Standards - Not Yet Adopted

In March 2020, FASB issued guidance on Facilitation of the Effects of Reference Rate Reform on Financial Reporting. This guidance provides optional expedients and exceptions to the guidance on contract modifications and hedge accounting related to the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative rates. Entities can elect to adopt this guidance as of any date within an interim period that includes or is subsequent to March 12, 2020 and can adopt it for new contracts and contract modifications entered into through December 31, 2022. We will adopt this guidance in our fiscal year beginning May 1, 2022 and we may elect to apply the amendments prospectively through December 12, 2022. We are currently evaluating the impact of this accounting guidance, but do not anticipate that it will have a material impact on the consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As a result of our global operating activities, we are exposed to certain market risks, including foreign currency exchange fluctuations and fluctuations in interest rates. We manage our exposure to these risks in the normal course of our business as described below.

Foreign Currency Risk

Substantially all our foreign subsidiaries' operations are measured in their local currencies. Assets and liabilities are translated into U.S. dollars at the rates of exchange in effect at the end of each reporting period and revenue and expenses are translated at average rates of exchange during the reporting period. Resulting translation adjustments are reported as a component of accumulated other comprehensive loss, net on our consolidated balance sheets.

Transactions denominated in a currency other than the reporting entity's functional currency may give rise to foreign currency gains or losses that impact our results of operations. Historically, we have not realized significant foreign currency gains or losses on such transactions. During fiscal 2021, 2020 and 2019, we recorded foreign currency losses of \$2.7 million, \$4.1 million and \$1.7 million, respectively, in general and administrative expenses in the consolidated statements of income.

Our exposure to foreign currency exchange rates is primarily driven by fluctuations involving the following currencies — U.S. Dollar, Pound Sterling, Euro, Singapore Dollar, Canadian Dollar, Swiss Franc, Korean Won, Brazilian Real, and South African Rand. Based on balances exposed to fluctuation in exchange rates between these currencies as of April 30, 2021, a 10% increase or decrease in the value of these currencies could result in a foreign exchange gain or loss of \$12.0 million. We have a program that primarily utilizes foreign currency forward contracts to offset the risks associated with the effects of certain foreign currency exposures. These foreign currency forward contracts are neither used for trading purposes nor are they designated as hedging instruments pursuant to Accounting Standards Codification 815, *Derivatives and Hedging*.

Interest Rate Risk

Our exposure to interest rate risk is limited to our Revolver, borrowings against the CSV of COLI contracts and to a lesser extent our fixed income debt securities. As of April 30, 2021, there were no amounts outstanding under the Revolver. At our option, loans issued under the Credit Agreement bear interest at either LIBOR or an alternate base rate, in each case plus the applicable interest rate margin. The interest rate applicable to loans outstanding under the Credit Agreement may fluctuate between LIBOR plus 1.125% per annum to LIBOR plus 2.00% per annum, in the case of LIBOR borrowings (or between the alternate base rate plus 0.125% per annum and the alternate base rate plus 1.00% per annum, in the alternative), based upon our total funded debt to adjusted EBITDA ratio (as set forth in the Credit Agreement, the "consolidated net leverage ratio") at such time. In addition, we are required to pay the lenders a quarterly commitment fee ranging from 0.175% to 0.35% per annum on the average daily unused amount of the Revolver, based upon our consolidated net leverage ratio at such time, and fees relating to the issuance of letters of credit. During fiscal 2020, the average interest rate on current and previous term loans was 3.34%. The average interest rate on our previous term loan for 2019 was 3.50%.

We had \$80.0 million and \$92.3 million of borrowings against the CSV of COLI contracts as of April 30, 2021 and 2020, respectively, bearing interest primarily at variable rates. The risk of fluctuations in these variable rates is minimized by the fact that we receive a corresponding adjustment to our borrowed funds crediting rate which has the effect of increasing the CSV on our COLI contracts.



Item 8. Financial Statements and Supplementary Data

See Consolidated Financial Statements beginning on page F-1 of this Annual Report on Form 10-K.

Supplemental Financial Information regarding quarterly results is contained in Note 18—*Quarterly Results*, in the Notes to our Consolidated Financial Statements in this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

a) Evaluation of Disclosure Controls and Procedures.

As of the end of the period covered by this Annual Report on Form 10-K, management, our Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures and internal controls over financial reporting. Based on their evaluation of our disclosure controls and procedures conducted as of the end of the period covered by this Annual Report on Form 10-K, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1934 (the “Exchange Act”)) are effective as of April 30, 2021.

b) Changes in Internal Control over Financial Reporting.

There were no changes in our internal control over financial reporting during the fourth fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting. See Management’s Report on Internal Control Over Financial Reporting and Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting on pages F-2 and F-3, respectively.

Item 9B. Other Information

Named Executive Officer Employment Agreements

On June 28, 2021, the Company entered into (1) an amended and restated employment agreement with Gary Burnison (the “Burnison Agreement”), (2) an amended and restated employment agreement with Robert Rozek (the “Rozek Agreement”), (3) an employment agreement with Byrne Mulrooney (the “Mulrooney Agreement”) and (4) an employment agreement with Mark Arian (the “Arian Agreement” and collectively, the “NEO Agreements” and each, an “NEO Agreement”). Each NEO Agreement supersedes the executive’s prior employment agreement or letter, as the case may be.

The NEO Agreements are terminable on notice by either party (on ninety days’ notice if by the executive or 30 days’ notice in the case of termination for “Good Reason”, as defined in the applicable NEO Agreement). The NEO Agreements provide for the following annual compensation: (1) an annual base salary, effective July 1, 2021, of \$1,000,000 for Mr. Burnison, \$625,000 for Mr. Rozek and \$550,000 for each of Messrs. Mulrooney and Arian; (2) participation in the Company’s annual cash incentive plan with an annual target award of 150% of annual base salary for Mr. Burnison, 120% of annual base salary for Mr. Rozek and 100% of annual base salary for Messrs. Mulrooney and Arian, and the ability to earn additional amounts up to a maximum cash award of 200% of the applicable target bonus opportunity for each executive; and (3) subject to approval of the Compensation and Personnel Committee of the Board of Directors, participation in the Company’s equity incentive program. In addition, the executives are eligible to participate in employee benefit plans, arrangements and programs maintained from time to time by the Company for the benefit of senior executives.

The Burnison Agreement provides for continuation of the Retention Award originally granted under his previous employment agreement with the Company dated March 30, 2018 in the amount of \$5 million, which cliff vests on March 30, 2022 (the “Retention Vesting Date”). Under the Burnison Agreement, interest will accrue on the Retention Award from March 30, 2022 until Mr. Burnison’s termination of employment at 120% of the long-term Applicable Federal Rate as in effect from time to time. The Retention Award, together with accrued interest, will be paid in equal monthly installments in cash (without further interest) over twelve months following Mr. Burnison’s termination of employment for any reason (other than termination by the Company for “Cause”, as defined in the Burnison Agreement) on or after the Retention Vesting Date. Payment of the Retention Award will be conditioned on Mr. Burnison’s execution and delivery of a general release of claims and his compliance with restrictive covenants relating to confidentiality, nonsolicitation and noncompetition. Upon any termination of Mr. Burnison’s employment on or after the Retention Vesting Date (other than by the Company for Cause or due to death or Disability (as defined in the NEO Agreements)), all unvested equity awards granted on or after March 30, 2018 (and at least 90 days prior to such termination, other than with respect to a termination by the Company without Cause or a termination by Mr. Burnison for Good Reason (as defined in the Burnison Agreement) (an “Involuntary Termination”) during such 90-day period, in which case, there shall be no such 90-day requirement) will continue to vest in accordance with their terms, disregarding such termination. Such continued vesting will be conditioned on Mr. Burnison’s execution and delivery of a general release of claims and his compliance with restrictive covenants relating to confidentiality,



non solicitation and non competition. As an exception, the post-Change in Control double trigger equity severance vesting rules described below would continue to apply in the event of an Involuntary Termination within 24 months after a Change in Control (as defined in the NEO Agreements).

Under each NEO Agreement, if the executive'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 Executive Capital Accumulation Plan ("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; and (5) reimbursement of COBRA coverage premiums for the executive and his dependents for as long as such coverage was available under COBRA. In addition, for Mr. Burnison, any unvested amount of the Retention Award would vest.

If the Company terminates the executive's employment for Cause at any time or he voluntarily terminates his employment without Good Reason, then the Company would pay him accrued compensation through the date of termination.

If the executive's employment is Involuntarily Terminated prior to a Change in Control or more than 24 months after a Change in Control, then he will be entitled to 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) in the case of Mr. Burnison, solely if such termination occurs prior to the Retention Vesting Date, cash payments equal to the greater of (i) the sum of one and one-half times his then current annual base salary and one and one-half times his target annual cash incentive award, or (ii) the prorated amount of the Retention Award based on days worked from March 30, 2018 until the date of termination; and in the case of the other executives, cash payments equal to one and one-half times his then current annual base salary and one and one-quarter times his target annual cash incentive award; (4) for up to 18 months after termination, reimbursement of COBRA coverage premiums for the executive and his dependents for as long as such coverage was available under COBRA; (5) in the case of Mr. Burnison, solely if such termination occurs prior to the Retention Vesting Date, and Mr. Rozek, all outstanding stock options, other equity-type incentives, other long term awards and all benefits held under the ECAP (excluding performance awards) (collectively, the "Time Vested Awards") will continue to vest in accordance with their terms (disregarding such termination) and, in the case of Messrs. Mulrooney and Arian, the Time Vested Awards that would have vested within 12 months of termination will become fully vested as of the date of such termination; and (6) in the case of Mr. Burnison, solely if such termination occurs prior to the Retention Vesting Date, and Mr. Rozek, the performance awards will vest based on actual performance through the entire performance period and, in the case of Messrs. Mulrooney and Arian, a pro rata portion of the performance awards will vest based on actual performance during the entire performance period and the number of days the executive 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).

If the executive's employment is Involuntarily Terminated within 24 months following a Change in Control, then he will be entitled to the following: (1) his accrued compensation; (2) a pro rata portion of his target annual cash incentive award; (3) in the case of Mr. Burnison, cash payments equal to three times his current annual base salary, three times his target annual cash incentive award and the amount of the Retention Award (to the extent not yet paid) and, in the case of Messrs. Rozek, Mulrooney and Arian, cash payments equal to two and one-half times the executive's current annual base salary and two and one-half times the executive's target annual cash incentive award; (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 Time Vesting Awards; and (6) a number of performance awards equal to the greater of (i) the performance awards that would have been earned if the executive had served for the Company for the entirety of any open performance period and the Company's performance during such period had been the Company's actual performance through the date of the Change in Control and at the target level for the period subsequent to the Change in Control and (ii) the performance awards that would have been earned if the executive had served the Company for the entirety of any open performance period and the Company's performance during such period had been at the target level of performance for the entire performance period.

If Mr. Rozek terminates his employment due to Retirement (as defined in the Rozek Agreement), he will be entitled to the following: (1) his accrued compensation; (2) Time Vested Awards that have been outstanding for more than 90 days will continue to vest in accordance with their terms (disregarding such termination); and (3) performance awards that have been outstanding for more than 90 days will vest based on actual performance through the entire performance period. Mr. Rozek is required to provide six months' notice prior to terminating his employment due to Retirement.



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

In addition, in the event of a Change in Control, the NEO Agreements provide that any payments contingent on a Change in Control that would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code will be reduced by an amount equal to the smallest amount possible such that no payment would be subject to such excise tax; provided that if, without any reduction in payments, the net amount retained by the executive, after subtracting all taxes imposed thereon, would exceed the after-tax amount that would be retained by him after the reduction described above, then no reduction in payments will be made. The NEO Agreements also provide for indemnification of the executives to the fullest extent permitted by applicable law and the Company's governing instruments in connection with suits or proceedings arising by reason of the fact that he is or was a director, officer or employee of the Company.

A copy of the NEO Agreements are attached as Exhibits 10.53, 10.54, 10.55 and 10.56 to this Annual Report.

Long-Term Performance Unit Plan and Executive Capital Accumulation Plan

On June 24, 2021, the Compensation and Personnel Committee (the "Committee") of the Board of Directors of the Company amended and restated the Company's Long-Term Performance Unit Plan (the "LTPUP") and Executive Capital Accumulation Plan (the "ECAP"), effective as of July 1, 2021. The Committee amended and restated the LTPUP to provide that unit awards made thereunder on or after July 1, 2021 will have a total value upon becoming fully vested of \$62,500, generally payable over five years in equal annual installments subject to the terms and conditions of the LTPUP, including the alternate payment provisions provided therein. The Committee amended and restated both the LTPUP and the ECAP to provide that, following the occurrence of a Change in Control Event (as defined in the applicable plan), a participant's rights with respect to vested benefits under the plans may not be terminated due to the participant engaging in Detrimental Activity (as defined in the applicable plan). In addition, under the ECAP, if a participant's employment is terminated on or following a Change in Control Event by the Company for any reason (other than for Cause, as defined in the ECAP) or due to the Participant's retirement on or after attaining age 65, then the participant will become 100% vested in all amounts under the ECAP. A copy of the ECAP and the LTPUP are attached as Exhibits 10.50 and 10.51 to this Annual Report.



PART III.

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item will be included under the captions "The Board of Directors" and, when applicable, "Delinquent Section 16(a) Reports" and elsewhere in our 2021 Proxy Statement and is incorporated herein by reference. The information under the heading "Information about our Executive Officers" in Part I of this Annual Report on Form 10-K is also incorporated by reference in this section.

We have adopted a "Code of Business Conduct and Ethics" that applies to all of our directors, officers and employees, including our principal executive officer (who is our Chief Executive Officer), principal financial officer, and principal accounting officer (who is our Chief Financial Officer) and senior financial officers, or persons performing similar functions. The Code of Business Conduct and Ethics is available on the Investor Relations portion of our website at <http://ir.kornferry.com>. If, or when, applicable we will disclose amendments to certain provisions of the Code of Business Conduct and Ethics and waivers of the Code of Business Conduct and Ethics granted to executive officers and directors on our website within four business days following the date of the amendment or waiver.

Item 11. Executive Compensation

The information required by this Item will be included under the captions "Compensation Discussion and Analysis" and "Compensation of Executive Officers and Directors" and elsewhere in our 2021 Proxy Statement and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item will be included under the caption "Security Ownership of Certain Beneficial Owners and Management" and elsewhere in our 2021 Proxy Statement and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item will be included under the caption "Certain Relationships and Related Transactions" and elsewhere in our 2021 Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this Item will be included under the captions "Fees Paid to Ernst & Young LLP" and "Audit Committee Pre-Approval Policies and Procedures," and elsewhere in our 2021 Proxy Statement, and is incorporated herein by reference.



PART IV.

Item 15. Exhibits and Financial Statement Schedules

Financial Statements.

- a) The following documents are filed as part of this report:

1. *Index to Financial Statements:*

See Consolidated Financial Statements included as part of this Annual Report on Form 10-K and Schedule II — Valuation and Qualifying Accounts. Pursuant to Rule 7-05 of Regulation S-X, the other schedules have been omitted as the information to be set forth therein is included in the notes of the audited consolidated financial statements.

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Exhibits:

Exhibit Number	Description
2.1+	Stock Purchase Agreement by and between HG (Bermuda) Limited and Korn/Ferry International, dated as of September 23, 2015, filed as Exhibit 2.1 to the Company's Form 8-K, filed September 24, 2015.
2.2+	Letter Agreement dated November 30, 2015, by and between Korn/Ferry International and HG (Bermuda) Limited, filed as Exhibit 2.1 to the Company's Form 8-K, filed December 2, 2015.
2.3+	Letter Agreement dated April 19, 2018, by and between Korn/Ferry International and HG (Bermuda) Limited.
3.1+	Restated Certificate of Incorporation of the Company, dated January 7, 2019, filed as Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q, filed March 11, 2019.
3.2+	Seventh Amended and Restated Bylaws, effective January 1, 2019, filed as Exhibit 3.2 to the Company's Report on Form 8-K, filed December 13, 2018.
4.1+	Form of Common Stock Certificate of the Company, filed as Exhibit 4.1 to the Company's Annual Report on Form 10-K, filed June 28, 2019.
4.2+	Description of Securities, filed as Exhibit 4.2 to the Company's Annual Report on Form 10-K, filed June 28, 2019.
4.3+	Indenture, dated as of December 16, 2019, by and among Korn Ferry, an issuer, certain subsidiaries of Korn Ferry, as guarantors thereto, and Wells Fargo Bank, National Association, as trustee, filed as Exhibit 4.1 to the Company's Form 8-K, filed December 16, 2019.
10.1*+	Form of Indemnification Agreement between the Company and some of its executive officers and directors, filed as Exhibit 10.1 to the Company's Registration Statement on Form S-1/A (No. 333-61697), filed December 24, 1998.
10.2*+	Form of U.S. and International Worldwide Executive Benefit Retirement Plan, filed as Exhibit 10.3 to the Company's Registration Statement on Form S-1/A (No. 333-61697), filed September 4, 1998.
10.3*+	Form of U.S. and International Worldwide Executive Benefit Life Insurance Plan, filed as Exhibit 10.4 to the Company's Registration Statement on Form S-1 (No. 333-61697), filed September 4, 1998.
10.4*+	Worldwide Executive Benefit Disability Plan (in the form of Long-Term Disability Insurance Policy), filed as Exhibit 10.5 to the Company's Registration Statement on Form S-1 (No. 333-61697), filed September 4, 1998.
10.5*+	Form of U.S. and International Enhanced Executive Benefit and Wealth Accumulation Plan, filed as Exhibit 10.6 to the Company's Registration Statement on Form S-1 (No. 333-61697), filed September 4, 1998.
10.6*+	Form of U.S. and International Senior Executive Incentive Plan, filed as Exhibit 10.7 to the Company's Registration Statement on Form S-1 (No. 333-61697), filed September 4, 1998.
10.7*+	Executive Salary Continuation Plan, filed as Exhibit 10.8 to the Company's Registration Statement on Form S-1 (No. 333-61697), filed September 4, 1998.
10.8*+	Form of Amended and Restated Stock Repurchase Agreement, filed as Exhibit 10.10 to the Company's Registration Statement on Form S-1 (No. 333-61697), filed September 4, 1998.
10.9*+	Form of Standard Employment Agreement, filed as Exhibit 10.11 to the Company's Registration Statement on Form S-1 (No. 333-61697), filed September 4, 1998.
10.10*+	Form of U.S. and Foreign Executive Participation Program, filed as Exhibit 10.27 to the Company's Registration Statement on Form S-1 (No. 333-61697), filed September 4, 1998.



10.11*+	<u>Korn/Ferry International Second Amended and Restated Performance Award Plan, filed as Appendix A to the Company's Definitive Proxy Statement, filed August 12, 2004.</u>
10.12*+	<u>Form of Indemnification Agreement between the Company and some of its executive officers and directors, filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q, filed March 12, 2004.</u>
10.13*+	<u>Form of Restricted Stock Unit Award Agreement to Directors Under the Performance Award Plan, filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed December 10, 2007.</u>
10.14*+	<u>Form of Stock Option Agreement to Employees and Non-Employee Directors Under the Korn/Ferry International 2008 Stock Incentive Plan, filed as Exhibit 10.3 to the Company's Form 8-K, filed June 12, 2009.</u>
10.15*+	<u>Korn/Ferry International Executive Capital Accumulation Plan, filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8 (No. 333-111038), filed December 10, 2003.</u>
10.16*+	<u>Korn Ferry Amended and Restated Employee Stock Purchase Plan, filed as Exhibit 10.17 to the Company's Annual Report on Form 10-K, filed June 28, 2019.</u>
10.17*+	<u>Employment Agreement between the Company and Robert Rozek, filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed February 21, 2012.</u>
10.18*+	<u>Second Amended and Restated Korn/Ferry International 2008 Stock Incentive Plan, filed as Exhibit 10.1 to the Company's Form 8-K, filed October 2, 2012.</u>
10.19*+	<u>Form of Restricted Stock Unit Award Agreement to Non-Employee Directors Under the 2008 Stock Incentive Plan, filed as Exhibit 10.38 to the Company's Annual Report on Form 10-K, filed June 25, 2013.</u>
10.20*+	<u>Form of Restricted Stock Unit Award Agreement to Employees Under the 2008 Stock Incentive Plan, filed as Exhibit 10.39 to the Company's Annual Report on Form 10-K, filed June 25, 2013.</u>
10.21*+	<u>Letter Agreement between the Company and Byrne Mulrooney dated June 26, 2014, filed as Exhibit 10.33 to the Company's Annual Report on Form 10-K, filed June 27, 2014.</u>
10.22*+	<u>Amended and Restated Korn Ferry Executive Capital Accumulation Plan, as of January 1, 2019, filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K, filed June 28, 2019.</u>
10.23*+	<u>Amended and Restated Korn Ferry Executive Capital Accumulation Plan, as of December 4, 2019, filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed March 11, 2020.</u>
10.24*+	<u>Form of Indemnification Agreement between the Company and some of its directors and executive officers, filed as Exhibit 10.1 to the Company's Form 8-K, filed June 15, 2015.</u>
10.25*+	<u>Amendment to Employment Agreement dated December 28, 2015 between the Company and Robert Rozek, filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed March 10, 2016.</u>
10.26*+	<u>Korn Ferry Long Term Performance Unit Plan, filed as Exhibit 10.26 to the Company's Annual Report on Form 10-K, filed June 28, 2019.</u>
10.27*+	<u>Korn Ferry Long Term Performance Unit Plan Form of Unit Award Agreement, filed as Exhibit 10.27 to the Company's Annual Report on Form 10-K, filed June 28, 2019.</u>
10.28*+	<u>Amended and Restated Korn Ferry Long Term Performance Unit Plan, as of December 4, 2019, filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed March 11, 2020.</u>
10.29*+	<u>Third Amendment and Restated Korn Ferry 2008 Stock Incentive Plan, filed as Exhibit 10.28 to the Company's Annual Report on Form 10-K, filed June 28, 2019.</u>
10.30*+	<u>Fourth Amended and Restated Korn Ferry 2008 Stock Incentive Plan, filed as Exhibit 10.1 to the Company's Form 8-K, filed October 7, 2019.</u>
10.31*+	<u>Summary of Non-Employee Director Compensation Program Effective December 7, 2016, filed as Exhibit 10.1 to the Company's 10-Q, filed March 10, 2017.</u>
10.32*+	<u>Letter Agreement between the Company and Mark Arian, dated March 17, 2017, filed as Exhibit 10.48 to the Company's Annual Report on Form 10-K, filed June 28, 2017.</u>
10.33*+	<u>Form of Restricted Stock Unit Award Agreement to Non-Employee Directors under the 2008 Stock Incentive Plan, filed as Exhibit 10.31 to the Company's Annual Report on Form 10-K, filed June 28, 2019.</u>
10.34*+	<u>Form of Performance Restricted Stock Unit Award Agreement Under the 2008 Stock Incentive Plan, filed as Exhibit 10.32 to the Company's Annual Report on Form 10-K, filed June 28, 2019.</u>
10.35*+	<u>Form of Restricted Stock Unit Award Agreement to Employees Under the 2008 Stock Incentive Plan, filed as Exhibit 10.33 to the Company's Annual Report on Form 10-K, filed June 28, 2019.</u>
10.36*+	<u>Form of Restricted Stock Award Agreement to Employees Under the 2008 Stock Incentive Plan, filed as Exhibit 10.34 to the Company's Annual Report on Form 10-K, filed June 28, 2019.</u>



10.37*+	Amended and Restated Employment Agreement dated March 30, 2018 between the Company and Gary Burnison, filed as Exhibit 10.1 to the Company's Form 8-K, filed April 4, 2018.
10.38+	Amended and Restated Credit Agreement, dated December 19, 2018, by and among the Company and Wells Fargo, National Association, as administrative agent and other lender parties thereto, filed as Exhibit 10.1 to the Company's Form 8-K, filed December 20, 2018.
10.39+	Credit Agreement, dated December 16, 2019, by and among Korn Ferry, Bank of America, N.A., as administrative agent, and other lender parties thereto, filed as Exhibit 10.1 to the Company's Form 8-K, filed December 16, 2019.
10.40*+	Amendment to Amended and Restated Employment Agreement dated March 30, 2018 between the Company and Gary Burnison, filed as Exhibit 10.1 to the Company's Form 8-K, filed April 17, 2020.
10.41*+	Amendment to Employment Agreement dated February 6, 2012 between the Company and Robert Rozek, as amended by that Amendment thereto dated December 28, 2015, filed as Exhibit 10.2 to the Company's Form 8-K, filed April 17, 2020.
10.42*+	Amendment to Employment Letter dated June 26, 2014 between the Company and Byrne Mulrooney, filed as Exhibit 10.3 to the Company's Form 8-K, filed April 17, 2020.
10.43*+	Amendment to Employment Letter dated March 17, 2017 between the Company and Mark Arian, filed as Exhibit 10.4 to the Company's Form 8-K, filed April 17, 2020.
10.44*+	Amended and Restated Korn Ferry Long Term Performance Unit Plan, effective June 1, 2020, filed as Exhibit 10.44 to the Company's Annual Report on Form 10-K, filed July 15, 2020.
10.45*+	Korn Ferry Amended and Restated Employee Stock Purchase Plan, effective July 1, 2020, filed as Exhibit 10.45 to the Company's Annual Report on Form 10-K, filed July 15, 2020.
10.46*+	Amendment to Amended and Restated Employment Agreement dated March 30, 2018 between the Company and Gary Burnison and the Letter Agreement dated April 14, 2020, filed as Exhibit 10.1 to the Company's Form 8-K, filed July 10, 2020.
10.47*+	Amendment to Employment Agreement dated February 6, 2012 between the Company and Robert Rozek, as amended by that Amendment thereto dated December 28, 2015 and the Letter Agreement dated as of April 14, 2020, filed as Exhibit 10.2 to the Company's Form 8-K, filed July 10, 2020.
10.48*+	Amendment to Employment Letter dated June 26, 2014 between the Company and Byrne Mulrooney and the Letter Agreement dated as of April 14, 2020, filed as Exhibit 10.3 to the Company's Form 8-K, filed July 10, 2020.
10.49*+	Amendment to Employment Letter dated March 17, 2017 between the Company and Mark Arian and the Letter Agreement dated as of April 14, 2020, filed as Exhibit 10.4 to the Company's Form 8-K, filed July 10, 2020.
10.50*	Amended and Restated Korn Ferry Executive Capital Accumulation Plan, effective July 1, 2021.
10.51*	Amended and Restated Korn Ferry Long Term Performance Unit Plan, effective July 1, 2021.
10.52*	Form of Unit Award Agreement under Amended and Restated Korn Ferry Long Term Performance Unit Plan.
10.53*	Amended and Restated Employment Agreement dated June 28, 2021 between the Company and Gary Burnison.
10.54*	Amended and Restated Employment Agreement dated June 28, 2021 between the Company and Robert Rozek.
10.55*	Employment Agreement dated June 28, 2021 between the Company and Byrne Mulrooney.
10.56*	Employment Agreement dated June 28, 2021 between the Company and Mark Arian.
21.1	Subsidiaries of Korn Ferry.
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
24.1	Power of Attorney (contained on signature page).
31.1	Chief Executive Officer Certification pursuant to Rule 13a-14(a) under the Exchange Act.
31.2	Chief Financial Officer Certification pursuant to Rule 13a-14(a) under the Exchange Act.
32.1	Chief Executive Officer and Chief Financial Officer Certification pursuant to 18 U.S.C. Section 1350.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.



101.PRE		Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104		This cover page from the Company's Annual Report on Form 10-K for the year ended April 30, 2021, had been formatted in Inline XBRL and included as Exhibit 101.

* Management contract, compensatory plan or arrangement.

+ Incorporated herein by reference.

Item 16. Form 10-K Summary

None



SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Korn Ferry

By: /s/ Robert P. Rozek

Robert P. Rozek

Executive Vice President, Chief Financial Officer and Chief Corporate Officer

Date: June 28, 2021

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of the registrant hereby constitutes and appoints Jonathan M. Kuai and Gary D. Burnison, and each of them, as lawful attorney-in-fact and agent for each of the undersigned (with full power of substitution and resubstitution, for and in the name, place and stead of each of the undersigned officers and directors), to sign and file with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, any and all amendments, supplements and exhibits to this report and any and all other documents in connection therewith, hereby granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing necessary or desirable to be done in order to effectuate the same as fully and to all intents and purposes as each of the undersigned might or could do if personally present, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or any of their substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ CHRISTINA A. GOLD</u> Christina A. Gold	Chairman of the Board and Director	June 28, 2021
<u>/s/ GARY D. BURNISON</u> Gary D. Burnison	President & Chief Executive Officer (Principal Executive Officer) and Director	June 28, 2021
<u>/s/ ROBERT P. ROZEK</u> Robert P. Rozek	Executive Vice President, Chief Financial Officer and Chief Corporate Officer (Principal Financial Officer and Principal Accounting Officer)	June 28, 2021
<u>/s/ DOYLE N. BENEBY</u> Doyle N. Beneby	Director	June 28, 2021
<u>/s/ JERRY LEAMON</u> Jerry Leamon	Director	June 28, 2021
<u>/s/ ANGEL MARTINEZ</u> Angel Martinez	Director	June 28, 2021
<u>/s/ DEBRA J. PERRY</u> Debra J. Perry	Director	June 28, 2021
<u>/s/ LORI ROBINSON</u> Lori Robinson	Director	June 28, 2021
<u>/s/ GEORGE T. SHAHEEN</u> George T. Shaheen	Director	June 28, 2021



KORN FERRY AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2021

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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Korn Ferry (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. As defined by the Securities and Exchange Commission, internal control over financial reporting is a process designed by, or supervised by, the issuer's principal executive and principal financial officers, and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

The Company's internal control over financial reporting is supported by written policies and procedures, that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of the Company's annual financial statements, management of the Company has undertaken an assessment of the effectiveness of the Company's internal control over financial reporting as of April 30, 2021 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included an evaluation of the design of the Company's internal control over financial reporting and testing of the operational effectiveness of the Company's internal control over financial reporting.

Based on this assessment, management did not identify any material weakness in the Company's internal control over financial reporting, and management has concluded that the Company's internal control over financial reporting was effective as of April 30, 2021.

Ernst & Young LLP, the independent registered public accounting firm that audited the Company's financial statements for the year ended April 30, 2021 included in this Annual Report on Form 10-K, has issued an audit report on the effectiveness of the Company's internal control over financial reporting as of April 30, 2021, a copy of which is included in this Annual Report on Form 10-K.

June 28, 2021



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Stockholders and Board of Directors of Korn Ferry:

Opinion on Internal Control over Financial Reporting

We have audited Korn Ferry and subsidiaries' internal control over financial reporting as of April 30, 2021, based on criteria established in Internal Control— Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Korn Ferry and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of April 30, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of April 30, 2021 and 2020, the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended April 30, 2021 and the related notes and the financial statement schedule listed in the index at Item 15(a) and our report dated June 28, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Los Angeles, California

June 28, 2021



**REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

To the Stockholders and Board of Directors of Korn Ferry

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Korn Ferry and subsidiaries (the "Company") as of April 30, 2021 and 2020, the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended April 30, 2021 and the related notes and the financial statement schedule listed in the index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at April 30, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended April 30, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of April 30, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated June 28, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue recognition

Description of the Matter

As described in Note 1 to the consolidated financial statements, the Company recognizes revenue when control of the goods and services are transferred to the customer. Revenue recognition includes management estimates of uptick fee variable consideration for Search engagements and estimates of the total hours at completion used to recognize revenue as services are rendered under Consulting contracts.

Auditing revenue recognition was complex due to the volume of transactions within the various revenue streams with each revenue stream representing a different pattern of revenue recognition. Auditing revenue recognition also incorporates testing the underlying data supporting management estimates mentioned above that are used in recognizing revenues under Search and Consulting contracts.



*How We Addressed the
Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's processes and controls related to the recognition of each revenue stream, including, among others, controls over management review of contractual terms, management's determination of when control of goods and services are transferred to customers as well as management's review of the accuracy and completeness of underlying data used in the estimates mentioned above.

Our audit procedures included, among others, testing a sample of contracts to determine whether terms that may affect revenue recognition were identified and properly considered, performance obligations were appropriately identified in the Company's evaluation of the accounting for the contracts and revenue was recognized when control of the goods or services is transferred to the customer. In addition, we tested management estimates mentioned above. For Search contracts, we compared the estimates of uptick fee revenues to historical actual data for a portfolio of similar contracts. For Consulting contracts, we compared the data used in the estimate of the total hours at completion to time reports for work completed to date, recalculated the percentage of completion and assessed the reasonableness of management's estimates to complete based on an understanding of the current status of the contracts. We also performed analysis over contracts completed during the year to determine whether there are significant changes in the estimate from initiation to completion of contracts.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.
Los Angeles, California
June 28, 2021



KORN FERRY AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	April 30,	
	2021	2020
	(in thousands, except per share data)	
ASSETS		
Cash and cash equivalents	\$ 850,778	\$ 689,244
Marketable securities	63,667	41,951
Receivables due from clients, net of allowance for doubtful accounts of \$29,324 and \$23,795 at April 30, 2021 and 2020, respectively	448,733	397,165
Income taxes and other receivables	40,024	38,755
Unearned compensation	53,206	43,117
Prepaid expenses and other assets	30,724	26,851
Total current assets	1,487,132	1,237,083
Marketable securities, non-current	182,692	132,134
Property and equipment, net	131,778	142,728
Operating lease right-of-use assets, net	174,121	195,077
Cash surrender value of company-owned life insurance policies, net of loans	161,295	146,408
Deferred income taxes	73,106	55,479
Goodwill	626,669	613,943
Intangible assets, net	92,949	111,926
Unearned compensation, non-current	102,356	79,510
Investments and other assets	24,428	29,540
Total assets	\$ 3,056,526	\$ 2,743,828
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 44,993	\$ 45,684
Income taxes payable	23,041	21,158
Compensation and benefits payable	394,606	280,911
Operating lease liability, current	47,986	54,851
Other accrued liabilities	239,444	221,603
Total current liabilities	750,070	624,207
Deferred compensation and other retirement plans	346,455	289,136
Operating lease liability, non-current	155,998	180,766
Long-term debt	394,794	394,144
Deferred tax liabilities	3,832	1,056
Other liabilities	36,602	30,828
Total liabilities	1,687,751	1,520,137
Commitments and contingencies		
Stockholders' equity		
Common stock: \$0.01 par value, 150,000 shares authorized, 74,915 and 73,205 shares issued and 54,008 and 54,450 shares outstanding at April 30, 2021 and 2020, respectively	583,260	585,560
Retained earnings	834,949	742,993
Accumulated other comprehensive loss, net	(51,820)	(107,172)
Total Korn Ferry stockholders' equity	1,366,389	1,221,381
Noncontrolling interest	2,386	2,310
Total stockholders' equity	1,368,775	1,223,691
Total liabilities and stockholders' equity	\$ 3,056,526	\$ 2,743,828

The accompanying notes are an integral part of these consolidated financial statements.



KORN FERRY AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

	Year Ended April 30,		
	2021	2020	2019
	(in thousands, except per share data)		
Fee revenue	\$ 1,810,047	\$ 1,932,732	\$ 1,926,033
Reimbursed out-of-pocket engagement expenses	9,899	44,598	47,829
Total revenue	<u>1,819,946</u>	<u>1,977,330</u>	<u>1,973,862</u>
Compensation and benefits	1,297,880	1,297,994	1,311,240
General and administrative expenses	191,776	258,957	351,991
Reimbursed expenses	9,899	44,598	47,829
Cost of services	72,030	85,886	75,487
Depreciation and amortization	61,845	55,311	46,489
Restructuring charges, net	30,732	58,559	—
Total operating expenses	<u>1,664,162</u>	<u>1,801,305</u>	<u>1,833,036</u>
Operating income	155,784	176,025	140,826
Other income (loss), net	37,194	(2,879)	10,405
Interest expense, net	(29,278)	(22,184)	(16,891)
Income before provision for income taxes	163,700	150,962	134,340
Income tax provision	48,138	43,945	29,544
Net income	115,562	107,017	104,796
Net income attributable to noncontrolling interest	(1,108)	(2,071)	(2,145)
Net income attributable to Korn Ferry	<u>\$ 114,454</u>	<u>\$ 104,946</u>	<u>\$ 102,651</u>
Earnings per common share attributable to Korn Ferry:			
Basic	<u>\$ 2.11</u>	<u>\$ 1.91</u>	<u>\$ 1.84</u>
Diluted	<u>\$ 2.09</u>	<u>\$ 1.90</u>	<u>\$ 1.81</u>
Weighted-average common shares outstanding:			
Basic	<u>52,928</u>	<u>54,342</u>	<u>55,311</u>
Diluted	<u>53,405</u>	<u>54,767</u>	<u>56,096</u>
Cash dividends declared per share:	<u>\$ 0.40</u>	<u>\$ 0.40</u>	<u>\$ 0.40</u>

The accompanying notes are an integral part of these consolidated financial statements.



KORN FERRY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended April 30,		
	2021	2020	2019
	(in thousands)		
Net income	\$ 115,562	\$ 107,017	\$ 104,796
Other comprehensive income:			
Foreign currency translation adjustments	50,069	(23,764)	(28,038)
Deferred compensation and pension plan adjustments, net of tax	5,419	(6,716)	(5,369)
Net unrealized (loss) gain on marketable securities, net of tax	(53)	34	—
Net unrealized loss on interest rate swap, net of tax	—	(456)	(1,080)
Comprehensive income	170,997	76,115	70,309
Less: comprehensive income attributable to noncontrolling interest	(1,191)	(1,689)	(1,978)
Comprehensive income attributable to Korn Ferry	<u>\$ 169,806</u>	<u>\$ 74,426</u>	<u>\$ 68,331</u>

The accompanying notes are an integral part of these consolidated financial statements.



KORN FERRY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss, Net	Total Korn Ferry Stockholders' Equity	Noncontrolling Interest	Total Stockholder's Equity
	Shares	Amount					
	(in thousands)						
Balance at May 1, 2018	56,517	\$ 683,942	\$ 572,800	\$ (40,135)	\$ 1,216,607	\$ 3,008	\$ 1,219,615
Net income	—	—	102,651	—	102,651	2,145	104,796
Other comprehensive loss	—	—	—	(34,320)	(34,320)	(167)	(34,487)
Effect of adoption of accounting standards	—	—	8,853	(2,197)	6,656	—	6,656
Dividends paid to shareholders	—	—	(23,459)	—	(23,459)	—	(23,459)
Dividends paid to noncontrolling interest	—	—	—	—	—	(2,255)	(2,255)
Purchase of stock	(1,166)	(58,070)	—	—	(58,070)	—	(58,070)
Issuance of stock	1,080	8,528	—	—	8,528	—	8,528
Stock-based compensation	—	22,063	—	—	22,063	—	22,063
Balance at April 30, 2019	56,431	656,463	660,845	(76,652)	1,240,656	2,731	1,243,387
Net income	—	—	104,946	—	104,946	2,071	107,017
Other comprehensive loss	—	—	—	(30,520)	(30,520)	(382)	(30,902)
Dividends paid to shareholders	—	—	(22,798)	—	(22,798)	—	(22,798)
Dividends paid to noncontrolling interest	—	—	—	—	—	(2,110)	(2,110)
Purchase of stock	(2,839)	(101,439)	—	—	(101,439)	—	(101,439)
Issuance of stock	858	9,041	—	—	9,041	—	9,041
Stock-based compensation	—	21,495	—	—	21,495	—	21,495
Balance at April 30, 2020	54,450	585,560	742,993	(107,172)	1,221,381	2,310	1,223,691
Net income	—	—	114,454	—	114,454	1,108	115,562
Other comprehensive income	—	—	—	55,352	55,352	83	55,435
Dividends paid to shareholders	—	—	(22,498)	—	(22,498)	—	(22,498)
Dividends paid to noncontrolling interest	—	—	—	—	—	(1,115)	(1,115)
Purchase of stock	(1,146)	(35,376)	—	—	(35,376)	—	(35,376)
Issuance of stock	704	6,560	—	—	6,560	—	6,560
Stock-based compensation	—	26,516	—	—	26,516	—	26,516
Balance at April 30, 2021	54,008	\$ 583,260	\$ 834,949	\$ (51,820)	\$ 1,366,389	\$ 2,386	\$ 1,368,775

The accompanying notes are an integral part of these consolidated financial statements.



KORN FERRY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended April 30,		
	2021	2020	2019
	(in thousands)		
Cash flows from operating activities:			
Net income	\$ 115,562	\$ 107,017	\$ 104,796
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	61,845	55,311	46,489
Stock-based compensation expense	27,157	22,818	23,385
Tradename write-offs	—	—	106,555
Write-off of long-lived assets	—	2,654	—
Provision for doubtful accounts	15,763	14,644	14,260
Gain on cash surrender value of life insurance policies	(13,017)	(6,551)	(6,160)
(Gain) loss on marketable securities	(38,529)	2,066	(8,134)
Deferred income taxes	(14,140)	(9,330)	(27,796)
Change in other assets and liabilities:			
Deferred compensation	64,005	23,496	18,478
Receivables due from clients	(67,331)	34,152	(30,625)
Income taxes and other receivables	5,798	(6,421)	1,409
Prepaid expenses and other assets	(3,902)	(956)	(148)
Unearned compensation	(32,935)	300	(7,299)
Income taxes payable	(1,824)	1,246	213
Accounts payable and accrued liabilities	122,687	(6,011)	28,398
Other	10,294	1,914	(5,016)
Net cash provided by operating activities	251,433	236,349	258,805
Cash flows from investing activities:			
Purchase of property and equipment	(31,122)	(41,460)	(46,682)
Purchase of marketable securities	(103,499)	(83,563)	(9,476)
Proceeds from sales/maturities of marketable securities	69,683	47,936	13,781
Cash paid for acquisitions, net of cash acquired	—	(108,602)	—
Premium on company-owned life insurance policies	(15,353)	(15,699)	(34,862)
Proceeds from life insurance policies	18,707	2,280	7,632
Dividends received from unconsolidated subsidiaries	205	346	140
Net cash used in investing activities	(61,379)	(198,762)	(69,467)
Cash flows from financing activities:			
Repurchases of common stock	(30,387)	(92,446)	(37,372)
Payments of tax withholdings on restricted stock	(4,989)	(8,993)	(20,698)
Proceeds from issuance of common stock upon exercise of employee stock options and in connection with an employee stock purchase plan	5,706	7,684	7,272
Borrowings under life insurance policies	—	—	31,870
Payments on life insurance policy loans	(12,279)	(943)	(5,316)
Principal payments on finance leases	(1,324)	(1,833)	—
Dividends paid to shareholders	(22,498)	(22,798)	(23,459)
Dividends paid to noncontrolling interest	(1,115)	(2,110)	(2,255)
Proceeds from long term debt	—	1,045,500	226,875
Principal payments on long term debt	—	(876,875)	(238,906)
Payment of debt issuance costs	—	(3,050)	(2,181)
Payment of contingent consideration from acquisitions	—	(455)	(455)
Net cash (used in) provided by financing activities	(66,886)	43,681	(64,625)
Effect of exchange rate changes on cash and cash equivalents	38,366	(18,384)	(19,201)
Net increase in cash and cash equivalents	161,534	62,884	105,512
Cash and cash equivalents at beginning of year	689,244	626,360	520,848
Cash and cash equivalents at end of the period	\$ 850,778	\$ 689,244	\$ 626,360
Supplemental cash flow information:			
Cash used to pay interest	\$ 25,207	\$ 12,526	\$ 14,188
Cash used to pay income taxes, net of refunds	\$ 55,317	\$ 54,914	\$ 58,408

The accompanying notes are an integral part of these consolidated financial statements.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021

1. Organization and Summary of Significant Accounting Policies

Nature of Business

Korn Ferry, a Delaware corporation, and its subsidiaries (the "Company") is a global organizational consulting firm. The Company helps clients synchronize strategy and talent to drive superior performance. The Company works with organizations to design their structures, roles, and responsibilities. The Company helps organizations hire the right people to bring their strategy to life and advise them on how to reward, develop, and motivate their people.

The Company is pursuing a strategy that will help Korn Ferry to focus on clients and collaborate intensively across the organization. This approach builds on the best of the Company's past and gives the Company a clear path to the future with focused initiatives to increase its client and commercial impact. Korn Ferry is transforming how clients address their talent management needs. The Company has evolved from a mono-line to a diversified business, giving its consultants more frequent and expanded opportunities to engage with clients.

The Company has seven reportable segments that operate through the following four lines of business:

1. **Consulting** aligns organization structure, culture, performance and people to drive sustainable growth by addressing four fundamental needs: Organizational Strategy, Assessment and Succession, Leadership and Professional Development and Total Rewards. This work is supported by a comprehensive range of some of the world's leading intellectual property ("IP") and data.
2. **Digital** leverages an artificial intelligence powered machine-learning platform to identify structure, roles, capabilities and behaviours needed to drive business forward. This end-to-end system combines Korn Ferry proprietary data, client data, and external market data to generate insight and recommend action.
3. **Executive Search** helps organizations recruit board level, chief executive and other senior executive and general management talent. Behavioral interviewing and proprietary assessments are used to determine ideal organizational fit, and salary benchmarking builds appropriate frameworks for compensation and retention. This business is managed and reported on a geographic basis and represents four of the Company's reportable segments (Executive Search North America, Executive Search EMEA, Executive Search Asia Pacific and Executive Search Latin America).
4. **Recruitment Process Outsourcing ("RPO") and Professional Search** combines people, process expertise and IP-enabled technology to deliver enterprise talent acquisition solutions to clients. Transaction sizes range from single professional searches to team, department and line of business projects, and global outsource recruiting solutions.

Basis of Consolidation and Presentation

The consolidated financial statements include the accounts of the Company and its wholly and majority owned/controlled domestic and international subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The preparation of the consolidated financial statements conform with United States ("U.S.") generally accepted accounting principles ("GAAP") and prevailing practice within our different industries. The consolidated financial statements include all adjustments, consisting of normal recurring accruals and any other adjustments that management considers necessary for a fair presentation of the results for these periods.

The Company has control of a Mexican subsidiary and consolidates the operations of this subsidiary. Noncontrolling interest, which represents the Mexican partners' 51% interest in the Mexican subsidiary, is reflected on the Company's consolidated financial statements.

The Company considers events or transactions that occur after the balance sheet date but before the consolidated financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosures.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Use of Estimates and Uncertainties

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates, and changes in estimates are reported in current operations as new information is learned or upon the amounts becoming fixed or determinable. The most significant areas that require management's judgment are revenue recognition, deferred compensation, annual performance-related bonuses, evaluation of the carrying value of receivables, goodwill and other intangible assets, share-based payments, leases and the recoverability of deferred income taxes.

Revenue Recognition

Substantially all fee revenue is derived from talent and organizational consulting services and digital sales, stand-alone or as part of a solution, fees for professional services related to executive and professional recruitment performed on a retained basis and RPO, either stand-alone or as part of a solution.

Revenue is recognized when control of the goods and services are transferred to the customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods and services. Revenue contracts with customers are evaluated based on the five-step model outlined in Accounting Standard Codification ("ASC") 606 ("ASC 606"): 1) identify the contract with a customer; 2) identify the performance obligation(s) in the contract; 3) determine the transaction price; 4) allocate the transaction price to the separate performance obligation(s); and 5) recognize revenue when (or as) each performance obligation is satisfied.

Consulting fee revenue is primarily recognized as services are rendered, measured by total hours incurred as a percentage of the total estimated hours at completion. It is possible that updated estimates for consulting engagements may vary from initial estimates with such updates being recognized in the period of determination. Depending on the timing of billings and services rendered, the Company accrues or defers revenue as appropriate.

Digital fee revenue is generated from IP platforms enabling large-scale, technology-based talent programs for pay, talent development, engagement, and assessment and is consumed directly by an end user or indirectly through a consulting engagement. Revenue is recognized as services are delivered and the Company has a legally enforceable right to payment. Revenue also comes from the sale of the Company's proprietary IP subscriptions, which are considered symbolic IP due to the dynamic nature of the content. As a result, revenue is recognized over the term of the contract. Functional IP licenses grant customers the right to use IP content via the delivery of a flat file. Because the IP content license has significant stand-alone functionality, revenue is recognized upon delivery and when an enforceable right to payment exists. Revenue for tangible and digital products sold by the Company, such as books and digital files, is recognized when these products are shipped.

Fee revenue from executive and professional search activities is generally one-third of the estimated first-year cash compensation of the placed candidate, plus a percentage of the fee to cover indirect engagement-related expenses. In addition to the search retainer, an uptick fee is billed when the actual compensation awarded by the client for a placement is higher than the estimated compensation. In the aggregate, upticks have been a relatively consistent percentage of the original estimated fee; therefore, the Company estimates upticks using the expected value method based on historical data on a portfolio basis. In a standard search engagement, there is one performance obligation, which is the promise to undertake a search. The Company generally recognizes such revenue over the course of a search and when it is legally entitled to payment as outlined in the billing terms of the contract. Any revenues associated with services that are provided on a contingent basis are recognized once the contingency is resolved, as this is when control is transferred to the customer. These assumptions determine the timing of revenue recognition for the reported period.

RPO fee revenue is generated through two distinct phases: 1) the implementation phase and 2) the post-implementation recruitment phase. The fees associated with the implementation phase are recognized over the period that the related implementation services are provided. The post-implementation recruitment phase represents end-to-end recruiting services to clients for which there are both fixed and variable fees, which are recognized over the period that the related recruiting services are performed.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Reimbursements

The Company incurs certain out-of-pocket expenses that are reimbursed by its clients, which are accounted for as revenue in the consolidated statements of income.

Allowance for Doubtful Accounts

An allowance is established for doubtful accounts by taking a charge to general and administrative expenses. The Company's expected credit loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions and a review of the current status of customers' trade accounts receivable. Due to the short-term nature of such receivables, the estimate of amount of accounts receivable that may not be collected is primarily based on historical loss-rate experience. When required, the Company adjusts the loss-rate methodology to account for current conditions and reasonable and supportable expectations of future economic and market conditions. The Company generally assesses future economic condition for a period of sixty to ninety days, which corresponds with the contractual life of its accounts receivables. After the Company exhausts all collection efforts, the amount of the allowance is reduced for balances written off as uncollectible.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less from the date of purchase to be cash equivalents. As of April 30, 2021 and 2020, the Company's investments in cash equivalents consisted of money market funds, and commercial paper and as of April 30, 2020 also includes corporate notes/bonds with initial maturity of less than 90 days for which market prices are readily available.

Marketable Securities

The Company currently has investments in marketable securities and mutual funds that are classified as either equity securities or available-for-sale debt securities. The classification of the investments in these marketable securities and mutual funds is assessed upon purchase and reassessed at each reporting period. These investments are recorded at fair value and are classified as marketable securities in the accompanying consolidated balance sheets. The investments that the Company may sell within the next 12 months are carried as current assets.

The Company invests in mutual funds (for which market prices are readily available) that are held in trust to satisfy obligations under the Company's deferred compensation plans. Such investments are classified as equity securities and mirror the employees' investment elections in their deemed accounts in the Executive Capital Accumulation Plan and similar plans in Asia Pacific and Canada ("ECAP") from a pre-determined set of securities. Realized gains (losses) on marketable securities are determined by specific identification. Interest is recognized on an accrual basis; dividends are recorded as earned on the ex-dividend date. Interest, dividend income and the changes in fair value in marketable securities are recorded in the accompanying consolidated statements of income in other income (loss), net.

The Company also invests cash in excess of its daily operating requirements and capital needs primarily in marketable fixed income (debt) securities in accordance with the Company's investment policy, which restricts the type of investments that can be made. The Company's investment portfolio includes commercial paper, corporate notes/bonds and US Treasury and Agency securities. These marketable fixed income (debt) securities are classified as available-for-sale securities based on management's decision, at the date such securities are acquired, not to hold these securities to maturity or actively trade them. The Company carries these marketable debt securities at fair value based on the market prices for these marketable debt securities or similar debt securities whose prices are readily available. The changes in fair values, net of applicable taxes, are recorded as unrealized gains or losses as a component of comprehensive income unless the change is due to credit loss. A credit loss is recorded in the statement of income in other income (loss), net; any amount in excess of the credit loss is recorded as unrealized gains or losses as a component of comprehensive income. Generally, the amount of the loss is the difference between the cost or amortized cost and its then current fair value; a credit loss is the difference between the discounted expected future cash flows to be collected from the debt security and the cost or amortized cost of the debt security. During fiscal 2021, 2020 and 2019, no amount was recognized as a credit loss for the Company's available for sales debt securities.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Fair Value of Financial Instruments

Fair value is the price the Company would receive to sell an asset or transfer a liability (exit price) in an orderly transaction between market participants. For those assets and liabilities recorded or disclosed at fair value, the Company determines the fair value based upon the quoted market price, if available. If a quoted market price is not available for identical assets, the fair value is based upon the quoted market price of similar assets. The fair values are assigned a level within the fair value hierarchy as defined below:

- **Level 1:** Observable inputs such as quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- **Level 2:** Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- **Level 3:** Unobservable inputs that reflect the reporting entity's own assumptions.

As of April 30, 2021 and 2020, the Company held certain assets that are required to be measured at fair value on a recurring basis. These included cash, cash equivalents, accounts receivable, marketable securities and foreign currency forward contracts. The carrying amount of cash, cash equivalents and accounts receivable approximates fair value due to the short-term maturity of these instruments. The fair values of marketable securities classified as equity securities are obtained from quoted market prices, and the fair values of marketable securities classified as available-for-sale and foreign currency forward contracts are obtained from a third party, which are based on quoted prices or market prices for similar assets and financial instruments.

Derivative Financial Instruments

On December 16, 2019, in conjunction with the payoff of the credit facility, the Company terminated its interest rate swap. The Company had entered into the interest rate swap agreement to effectively convert its variable debt to a fixed-rate basis. The principal objective was to eliminate or reduce the variability of the cash flows in interest payments associated with the Company's long-term debt, thus reducing the impact of interest rate changes on future interest payment cash flows. The Company determined that the interest rate swap qualified as a cash flow hedge in accordance with ASC 815. Changes in the fair value of an interest rate swap agreement designated as a cash flow hedge were recorded as a component of accumulated other comprehensive loss within stockholders' equity and were amortized to interest expense over the term of the related debt.

Foreign Currency Forward Contracts Not Designated as Hedges

The Company has established a program that primarily utilizes foreign currency forward contracts to offset the risks associated with the effects of certain foreign currency exposures primarily originating from intercompany balances due to cross border work performed in the ordinary course of business. These foreign currency forward contracts are neither used for trading purposes nor are they designated as hedging instruments pursuant to ASC 815. Accordingly, the fair value of these contracts is recorded as of the end of the reporting period in the accompanying consolidated balance sheets, while the change in fair value is recorded to the accompanying consolidated statements of income.

Business Acquisitions

Business acquisitions are accounted for under the acquisition method. The acquisition method requires the reporting entity to identify the acquirer, determine the acquisition date, recognize and measure the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquired entity, and recognize and measure goodwill or a gain from the purchase. The acquiree's results are included in the Company's consolidated financial statements from the date of acquisition. Assets acquired and liabilities assumed are recorded at their fair values and the excess of the purchase price over the amounts assigned is recorded as goodwill, or if the fair value of the assets acquired exceeds the purchase price consideration, a bargain purchase gain is recorded. Adjustments to fair value assessments are generally recorded to goodwill over the measurement period (not longer than 12 months). The acquisition method also requires that acquisition-related transaction and post-acquisition restructuring costs be charged to expense as committed and requires the Company to recognize and measure certain assets and liabilities including those arising from contingencies and contingent consideration in a business combination. During fiscal 2021, the Company recorded an adjustment of \$2.6 million to increase goodwill as a result of additional tax liabilities from the Miller Heiman Group, Achieve Forum and Strategy Execution (the "Acquired Companies") acquisition completed on November 1, 2019. The measurement period for the Acquired Companies is closed.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right of use ("ROU") assets and current and non-current operating lease liability, in the consolidated balance sheets. Finance leases are included in property and equipment, net, other accrued liabilities and other liabilities in the consolidated balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term, and the lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term on the commencement date. As most of the Company's leases do not provide an implicit rate, the Company uses its estimated incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term, with variable lease payments recognized in the periods in which they are incurred.

The Company has lease agreements with lease and non-lease components. For all leases with non-lease components the Company accounts for the lease and non-lease components as a single lease component.

Property and Equipment, Net

Property and equipment is carried at cost less accumulated depreciation. Leasehold improvements are amortized on a straight-line basis over the estimated useful life of the asset, or the lease term, whichever is shorter. Software development costs incurred for internal use projects are capitalized and once placed in service, amortized using the straight-line method over the estimated useful life, generally three to ten years. All other property and equipment is depreciated or amortized on a straight-line basis over the estimated useful lives of three to ten years.

Impairment of Long-Lived Assets

Long-lived assets include property, equipment, ROU assets and software developed or obtained for internal use. In accordance with ASC 360, Property, Plant and Equipment, management reviews the Company's recorded long-lived assets for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted inability to achieve break-even operating results over an extended period. The Company determines the extent to which an asset may be impaired based upon its expectation of the asset's future usability, as well as on a reasonable assurance that the future cash flows associated with the asset will be in excess of its carrying amount. If the total of the expected undiscounted future cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between fair value and the carrying value of the asset. During fiscal 2020, the Company decided that it would exit 16 office leases as part of the integration of the Acquired Companies. This resulted in an impairment charge of the ROU asset of \$2.3 million and impairment of leasehold improvements and furniture and fixtures of \$0.4 million, both recorded in the consolidated statements of income in general and administrative expenses in the Digital reportable segment. During fiscal 2021 and 2019, there were no impairment charges recorded.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of assets acquired. The goodwill impairment test compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, goodwill of the reporting unit would be considered impaired. To measure the amount of the impairment loss, the implied fair value of a reporting unit's goodwill is compared to the carrying amount of that goodwill. If the carrying amount of a reporting unit's goodwill exceeds the fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. For each of these tests, the fair value of each of the Company's reporting units is determined using a combination of valuation techniques, including a discounted cash flow methodology. To corroborate the discounted cash flow analysis performed at each reporting unit, a market approach is utilized using observable market data such as comparable companies in similar lines of business that are publicly traded or which are part of a public or private transaction (to the extent available). Goodwill is tested for impairment annually and more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. Results of the annual impairment test performed as of January 31, 2021, indicated that the fair value of each of the reporting units exceeded its carrying amount and no reporting units were at risk of failing the impairment test. As a result, no impairment charge was recognized. There was also no indication of potential impairment during the fourth quarter of fiscal 2021 that would require further testing.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Intangible assets primarily consist of customer lists, non-compete agreements, proprietary databases and IP. Intangible assets are recorded at their estimated fair value at the date of acquisition and are amortized in a pattern in which the asset is consumed if that pattern can be reliably determined, or using the straight-line method over their estimated useful lives, which range from one to 24 years. For intangible assets subject to amortization, an impairment loss is recognized if the carrying amount of the intangible assets is not recoverable and exceeds fair value. The carrying amount of the intangible assets is considered not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from use of the asset. The coronavirus pandemic ("COVID-19") impacted the Company's fourth quarter of fiscal 2020 business, as well as the business during fiscal 2021. The Company reviewed its intangible assets and noted no impairment as of April 30, 2021 and 2020.

On June 12, 2018, the Company's Board of Directors voted to approve a plan to go to market under a single, master brand architecture and to simplify the Company's organizational structure by eliminating and/or consolidating certain legal entities and implementing a rebranding of the Company to offer the Company's current products and services using the "Korn Ferry" name, branding and trademarks. As a result, the Company discontinued the use of all sub-brands. Two of the Company's former sub-brands, Hay Group and Lominger, came to Korn Ferry through acquisitions. In connection with the accounting for these acquisitions, \$106.6 million of the purchase price was allocated to indefinite-lived tradename intangible assets. As a result of the decision to discontinue their use, the Company took a non-cash intangible asset write-off of \$106.6 million in fiscal 2019, recorded in general and administrative expenses in the consolidated statement of income.

Compensation and Benefits Expense

Compensation and benefits expense in the accompanying consolidated statements of income consist of compensation and benefits paid to consultants (employees who originate business), executive officers and administrative and support personnel. The most significant portions of this expense are salaries and the amounts paid under the annual performance-related bonus plan to employees. The portion of the expense applicable to salaries is comprised of amounts earned by employees during a reporting period. The portion of the expenses applicable to annual performance-related bonuses refers to the Company's annual employee performance-related bonus with respect to a fiscal year, the amount of which is communicated and paid to each eligible employee following the completion of the fiscal year.

Each quarter, management makes its best estimate of its annual performance-related bonuses, which requires management to, among other things, project annual consultant productivity (as measured by engagement fees billed and collected by executive search consultants and revenue and other performance/profitability metrics for Consulting, Digital and RPO & Professional Search consultants), the level of engagements referred by a consultant in one line of business to a different line of business, and Company performance, including profitability, competitive forces and future economic conditions and their impact on the Company's results. At the end of each fiscal year, annual performance related bonuses take into account final individual consultant productivity (including referred work), Company/line of business results including profitability, the achievement of strategic objectives, the results of individual performance appraisals, and the current economic landscape. Accordingly, each quarter the Company reevaluates the assumptions used to estimate annual performance related bonus liability and adjusts the carrying amount of the liability recorded on the consolidated balance sheet and reports any changes in the estimate in current operations.

Because annual performance-based bonuses are communicated and paid only after the Company reports its full fiscal year results, actual performance-based bonus payments may differ from the prior year's estimate. Such changes in the bonus estimate historically have been immaterial and are recorded in current operations in the period in which they are determined. The performance-related bonus expense was \$287.3 million, \$197.1 million and \$257.3 million for the years ended April 30, 2021, 2020 and 2019, respectively, included in compensation and benefits expense in the consolidated statements of income.

Other expenses included in compensation and benefits expense are due to changes in deferred compensation and pension plan liabilities, changes in cash surrender value ("CSV") of company-owned life insurance ("COLI") contracts, amortization of stock-based compensation awards, payroll taxes and employee insurance benefits. Unearned compensation on the consolidated balance sheets includes long-term retention awards that are generally amortized over four-to-five years.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Deferred Compensation and Pension Plans

For financial accounting purposes, the Company estimates the present value of the future benefits payable under the deferred compensation and pension plans as of the estimated payment commencement date. The Company also estimates the remaining number of years a participant will be employed by the Company. Then, each year during the period of estimated employment, the Company accrues a liability and recognizes expense for a portion of the future benefit using the unit credit cost method for the Senior Executive Incentive Plan ("SEIP"), Wealth Accumulation Plan ("WAP"), Enhanced Wealth Accumulation Plan ("EWAP") and Worldwide Executive Benefit Plan ("WEB") and the pension plan acquired under Hay Group, while the medical and life insurance plan and Long Term Performance Unit Plan ("LTPU Plan") uses the projected unit credit cost method. The amounts charged to operations are made up of service and interest costs and the expected return on plan assets. Actuarial gains and losses are initially recorded in accumulated other comprehensive loss. The actuarial gains/losses included in accumulated other comprehensive income are amortized to the consolidated statements of income, if at the beginning of the year, the amount exceeds 10% of the greater of the projected benefit obligation and market-related plan assets. The amortization included in periodic benefit cost is divided by the average remaining service of inactive plan participants, or the period for which benefits will be paid, if shorter. The expected return on plan assets takes into account the current fair value of plan assets and reflects the Company's estimate for trust asset returns given the current asset allocation and any expected changes to the asset allocation and current and future market conditions.

In calculating the accrual for future benefit payments, management has made assumptions regarding employee turnover, participant vesting, violation of non-competition provisions and the discount rate. Management periodically reevaluates all assumptions. If assumptions change in future reporting periods, the changes may impact the measurement and recognition of benefit liabilities and related compensation expense.

Executive Capital Accumulation Plan

The Company, under the ECAP, makes discretionary contributions and such contributions may be granted to key employees annually based on the employee's performance. Certain key management may also receive Company contributions upon commencement of employment. The Company amortizes these contributions on a straight-line basis as they vest, generally over a five-year period. The amounts that are expected to be paid to employees over the next 12 months are classified as a current liability included in compensation and benefits payable in the accompanying consolidated balance sheets.

The ECAP is accounted for whereby the changes in the fair value of the vested amounts owed to the participants are adjusted with a corresponding charge (or credit) to compensation and benefits costs.

Cash Surrender Value of Life Insurance

The Company purchased COLI policies or contracts insuring the lives of certain employees eligible to participate in certain of the deferred compensation and pension plans as a means of funding benefits under such plans. The Company purchased both fixed and variable life insurance contracts and does not purchase "split-dollar" life insurance policy contracts. The Company only holds contracts or policies that provide for a fixed or guaranteed rate of return. The CSV of these COLI contracts are carried at the amounts that would be realized if the contract were surrendered at the balance sheet date, net of the outstanding loans from the insurer. The Company has the intention and ability to continue to hold these COLI policies and contracts. Additionally, the loans secured by the policies do not have any scheduled payment terms and the Company also does not intend to repay the loans outstanding on these policies until death benefits under the policy have been realized. Accordingly, the investment in COLI is classified as long-term in the accompanying consolidated balance sheets.

The change in the CSV of COLI contracts, net of insurance premiums paid and gains realized, is reported net in compensation and benefits expense. As of April 30, 2021 and 2020, the Company held contracts with net CSV of \$161.3 million and \$146.4 million, respectively. If the issuing insurance companies were to become insolvent, the Company would be considered a general creditor; therefore, these assets are subject to credit risk. Management, together with its outside advisors, routinely monitors the claims paying abilities of these insurance companies.

Restructuring Charges, Net

The Company accounts for its restructuring charges as a liability when the obligations are incurred and records such charges at fair value. Changes in the estimates of the restructuring charges are recorded in the period the change is determined.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Stock-Based Compensation

The Company has employee compensation plans under which various types of stock-based instruments are granted. These instruments principally include restricted stock units, restricted stock and an Employee Stock Purchase Plan ("ESPP"). The Company recognizes compensation expense related to restricted stock units, restricted stock and the estimated fair value of stock purchases under the ESPP on a straight-line basis over the service period for the entire award.

Translation of Foreign Currencies

Generally, financial results of the Company's foreign subsidiaries are measured in their local currencies. Assets and liabilities are translated into U.S. dollars at exchange rates in effect at the balance sheet date, while revenue and expenses are translated at weighted-average exchange rates during the fiscal year. Resulting translation adjustments are recorded as a component of accumulated comprehensive income. Gains and losses from foreign currency transactions of the Company's foreign subsidiaries and the translation of the financial results of subsidiaries operating in highly inflationary economies are included in general and administrative expense in the period incurred. During fiscal 2021, 2020 and 2019, the Company recorded foreign currency losses of \$2.7 million, \$4.1 million and \$1.7 million respectively, in general and administrative expenses in the consolidated statements of income.

Income Taxes

There are two components of income tax expense: current and deferred. Current income tax expense (benefit) approximates taxes to be paid or refunded for the current period. Deferred income tax expense (benefit) results from changes in deferred tax assets and liabilities between periods. These gross deferred tax assets and liabilities represent decreases or increases in taxes expected to be paid in the future because of future reversals of temporary differences in the basis of assets and liabilities as measured by tax laws and their basis as reported in the consolidated financial statements. Deferred tax assets are also recognized for tax attributes such as net operating loss carryforwards and tax credit carryforwards. Deferred tax assets and deferred tax liabilities are presented net on the consolidated balance sheets by tax jurisdiction. Valuation allowances are then recorded to reduce deferred tax assets to the amounts management concludes are more likely than not to be realized.

Income tax benefits are recognized and measured based upon a two-step model: (1) a tax position must be more-likely-than-not to be sustained based solely on its technical merits in order to be recognized and (2) the benefit is measured as the largest dollar amount of that position that is more-likely-than-not to be sustained upon settlement. The difference between the benefit recognized for a position and the tax benefit claimed on a tax return is referred to as an unrecognized tax benefit. The Company records income tax-related interest and penalties within income tax expense.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents, investments, foreign currency forward contracts, receivables due from clients and net CSV due from insurance companies, which are discussed above. Cash equivalents include investments in money market securities, commercial papers and corporate notes/bonds while investments include mutual funds, commercial papers, corporate notes/bonds and US Treasury and Agency securities. Investments are diversified throughout many industries and geographic regions. The Company conducts periodic reviews of its customers' financial condition and customer payment practices to minimize collection risk on accounts receivable. At April 30, 2021 and 2020, the Company had no other significant credit concentrations.

Recently Adopted Accounting Standards

In June 2016, the Financial Accounting Standards Board (the "FASB") issued guidance on accounting for measurement of credit losses on financial instruments, which amends the impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. The standard became effective for fiscal years beginning after December 15, 2019. The Company adopted this guidance as of May 1, 2020. The adoption of this guidance did not have a material impact on the consolidated financial statements.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

In January 2017, FASB issued guidance simplifying the test for goodwill impairment. The new guidance simplified the test for goodwill impairment by removing Step 2 from the goodwill impairment test. Companies now perform the goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount, recognizing an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value not to exceed the total amount of goodwill allocated to that reporting unit. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The amendments of this standard became effective for goodwill impairment tests in fiscal years beginning after December 15, 2019. The Company adopted this guidance as of May 1, 2020. The adoption of this guidance did not have a material impact on the consolidated financial statements.

In August 2018, FASB issued guidance amending the disclosure requirements for fair value measurements. The amendment removed and modified disclosures that are currently required and added additional disclosures that are deemed relevant. The amendments of this standard became effective for fiscal years beginning after December 15, 2019. The Company adopted this guidance as of May 1, 2020. The adoption of this guidance did not have a material impact on the consolidated financial statements.

In August 2018, FASB also issued guidance amending accounting for internal-use software. The new guidance aligned the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with developing or obtaining internal-use software. The amendments of this standard became effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The Company adopted this guidance as of May 1, 2020. The adoption of this guidance did not have a material impact on the consolidated financial statements.

In December 2019, FASB issued guidance on Simplifying the Accounting for Income Taxes. This update eliminated certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The update also simplified aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarified the accounting for transactions that result in a step-up in the tax basis of goodwill. The amendments of this standard are effective for fiscal years beginning after December 15, 2020, with early adoption permitted. The Company early adopted this guidance in its fiscal year beginning May 1, 2020. The adoption of this guidance did not have a material impact on the consolidated financial statements.

Recently Proposed Accounting Standards - Not Yet Adopted

In March 2020, FASB issued guidance on Facilitation of the Effects of Reference Rate Reform on Financial Reporting. This guidance provides optional expedients and exceptions to the guidance on contract modifications and hedge accounting related to the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative rates. Entities can elect to adopt this guidance as of any date within an interim period that includes or is subsequent to March 12, 2020 and can adopt it for new contracts and contract modifications entered into through December 31, 2022. The Company will adopt this guidance in its fiscal year beginning May 1, 2021 and the Company may elect to apply the amendments prospectively through December 12, 2022. The Company is currently evaluating the impact of this accounting guidance but does not anticipate that it will have a material impact on the consolidated financial statements.

2. Basic and Diluted Earnings Per Share

ASC 260, *Earnings Per Share*, requires companies to treat unvested share-based payment awards that have non-forfeitable rights to dividends prior to vesting as a separate class of securities in calculating earnings per share. The Company has granted and expects to continue to grant to certain employees under its restricted stock agreements, grants that contain non-forfeitable rights to dividends. Such grants are considered participating securities. Therefore, the Company is required to apply the two-class method in calculating earnings per share. The two-class method of computing earnings per share is an earnings allocation formula that determines earnings per share for each class of common stock and participating security according to dividends declared (or accumulated) and participation rights in undistributed earnings. The dilutive effect of participating securities is calculated using the more dilutive of the treasury method or the two-class method.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Basic earnings per common share was computed using the two-class method by dividing basic net earnings attributable to common stockholders by the weighted-average number of common shares outstanding. Diluted earnings per common share was computed using the two-class method by dividing diluted net earnings attributable to common stockholders by the weighted-average number of common shares outstanding plus dilutive common equivalent shares. Dilutive common equivalent shares include all in-the-money outstanding options or other contracts to issue common stock as if they were exercised or converted. Financial instruments that are not in the form of common stock, but when converted into common stock increase earnings per share, are anti-dilutive and are not included in the computation of diluted earnings per share.

During fiscal 2021, 2020 and 2019, restricted stock awards of 1.3 million shares, 0.7 million shares and 0.6 million shares, respectively, were outstanding but not included in the computation of diluted earnings per share because they were anti-dilutive.

The following table summarizes basic and diluted earnings per common share attributable to common stockholders:

	Year Ended April 30,		
	2021	2020	2019
	(in thousands, except per share data)		
Net income attributable to Korn Ferry	\$ 114,454	\$ 104,946	\$ 102,651
Less: distributed and undistributed earnings to nonvested restricted stockholders	2,763	1,140	1,066
Basic net earnings attributable to common stockholders	111,691	103,806	101,585
Add: undistributed earnings to nonvested restricted stockholders	2,185	901	831
Less: reallocation of undistributed earnings to nonvested restricted stockholders	2,165	894	820
Diluted net earnings attributable to common stockholders	\$ 111,711	\$ 103,813	\$ 101,596
Weighted-average common shares outstanding:			
Basic weighted-average number of common shares outstanding	52,928	54,342	55,311
Effect of dilutive securities:			
Restricted stock	476	367	750
ESPP	1	58	34
Stock Options	—	—	1
Diluted weighted-average number of common shares outstanding	<u>53,405</u>	<u>54,767</u>	<u>56,096</u>
Net earnings per common share:			
Basic earnings per share	\$ 2.11	\$ 1.91	\$ 1.84
Diluted earnings per share	<u>\$ 2.09</u>	<u>\$ 1.90</u>	<u>\$ 1.81</u>

3. Comprehensive Income

Comprehensive income is comprised of net income and all changes to stockholders' equity, except those changes resulting from investments by stockholders (changes in paid-in capital) and distributions to stockholders (dividends) and is reported in the accompanying consolidated statements of comprehensive income. Accumulated other comprehensive loss, net of taxes, is recorded as a component of stockholders' equity.

The components of accumulated other comprehensive loss, net were as follows:

	April 30,	
	2021	2020
	(in thousands)	
Foreign currency translation adjustments	\$ (33,666)	\$ (83,652)
Deferred compensation and pension plan adjustments, net of taxes	(18,135)	(23,554)
Marketable securities unrealized (loss) gain, net of tax	(19)	34
Accumulated other comprehensive loss, net	<u>\$ (51,820)</u>	<u>\$ (107,172)</u>



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

The following table summarizes the changes in each component of accumulated other comprehensive loss, net:

	Foreign Currency Translation	Deferred Compensation and Pension Plan (1)	Unrealized Gains (Losses) on Marketable Securities	Unrealized Gains on Interest Rate Swap (2)	Accumulated Other Comprehensive Loss
			(in thousands)		
Balance as of May 1, 2018	\$ (32,399)	\$ (9,073)	\$ —	\$ 1,337	\$ (40,135)
Unrealized losses arising during the period	(27,871)	(6,461)	—	(800)	(35,132)
Reclassification of realized net losses (gains) to net income	—	1,092	—	(280)	812
Effect of adoption of accounting standard	—	(2,396)	—	199	(2,197)
Balance as of April 30, 2019	(60,270)	(16,838)	—	456	(76,652)
Unrealized (losses) gains arising during the period	(23,382)	(8,883)	37	(678)	(32,906)
Reclassification of realized net losses (gains) to net income	—	2,167	(3)	222	2,386
Balance as of April 30, 2020	(83,652)	(23,554)	34	—	(107,172)
Unrealized gains (losses) arising during the period	49,986	2,660	(53)	—	52,593
Reclassification of realized net losses to net income	—	2,759	—	—	2,759
Balance as of April 30, 2021	<u>\$ (33,666)</u>	<u>\$ (18,135)</u>	<u>\$ (19)</u>	<u>\$ —</u>	<u>\$ (51,820)</u>

- (1) The tax effects on unrealized gains (losses) were \$1.1 million, \$(3.1) million and \$(2.3) million as of April 30, 2021, 2020 and 2019, respectively. The tax effects on reclassifications of realized net losses were \$1.0 million, \$0.8 million and \$0.4 million as of April 30, 2021, 2020 and 2019, respectively.
- (2) The tax effects on unrealized (losses) gains were \$(0.2) million and \$(0.3) million as of 2020 and 2019, respectively. The tax effects on the reclassification of realized net (losses) gains to net income was \$(0.1) million and \$0.1 million as of 2020 and 2019, respectively.

4. Employee Stock Plans

Stock-Based Compensation

The following table summarizes the components of stock-based compensation expense recognized in the Company's consolidated statements of income for the periods indicated:

	Year Ended April 30,		
	2021	2020	2019
		(in thousands)	
Restricted stock	\$ 26,516	\$ 21,495	\$ 22,063
ESPP	641	1,323	1,322
Total stock-based compensation expense	<u>\$ 27,157</u>	<u>\$ 22,818</u>	<u>\$ 23,385</u>

Stock Incentive Plan

At the Company's 2019 Annual Meeting of Stockholders, held on October 3, 2019, the Company's stockholders approved an amendment and restatement to the Korn Ferry Amended and Restated 2008 Stock Incentive Plan (the 2019 amendment and restatement being the "Fourth A&R 2008 Plan"), which, among other things, eliminated the fungible share counting provision and decreased the total number of shares of the Company's common stock available for stock-based awards by 2,141,807 shares, leaving 3,600,000 shares available for issuance, subject to certain changes in the Company's capital structure and other extraordinary events. The Fourth A&R 2008 Plan was also amended to generally require a minimum one-year vesting for all future awards, and provides for the grant of awards to eligible participants, designated as either nonqualified or incentive stock options, restricted stock and restricted stock units, any of which are market-based, and incentive bonuses, which may be paid in cash or stock or a combination thereof.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Restricted Stock

The Company grants time-based restricted stock awards to executive officers and other senior employees generally vesting over a four-year period. In addition, certain key management members typically receive time-based restricted stock awards upon commencement of employment and may receive them annually in conjunction with the Company's performance review. Time-based restricted stock awards are granted at a price equal to fair value, which is determined based on the closing price of the Company's common stock on the grant date. The Company recognizes compensation expense for time-based restricted stock awards on a straight-line basis over the vesting period.

The Company also grants market-based restricted stock units to executive officers and other senior employees. The market-based units vest after three years depending upon the Company's total stockholder return over the three-year performance period relative to other companies in its selected peer group. The fair value of these market-based restricted stock units are determined by using extensive market data that is based on historical Company and peer group information. The Company recognizes compensation expense for market-based restricted stock units on a straight-line basis over the vesting period.

Restricted stock activity is summarized below:

	April 30,					
	2021		2020		2019	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
	(in thousands, except per share data)					
Non-vested, beginning of year	1,365	\$ 44.59	1,460	\$ 38.42	1,730	\$ 33.45
Granted	1,606	\$ 27.63	608	\$ 38.38	671	\$ 40.93
Vested	(516)	\$ 39.78	(638)	\$ 25.42	(904)	\$ 36.41
Forfeited	(85)	\$ 22.35	(65)	\$ 33.48	(37)	\$ 32.26
Non-vested, end of year	<u>2,370</u>	\$ 34.34	<u>1,365</u>	\$ 44.59	<u>1,460</u>	\$ 38.42

As of April 30, 2021, there were 0.3 million shares outstanding relating to market-based restricted stock units with total unrecognized compensation totaling \$0.9 million.

As of April 30, 2021, there was \$50.7 million of total unrecognized compensation cost related to all non-vested awards of restricted stock, which is expected to be recognized over a weighted-average period of 2.8 years. During fiscal 2021 and 2020, 172,749 shares and 232,618 shares of restricted stock totaling \$5.0 million and \$9.0 million, respectively, were repurchased by the Company, at the option of the employee, to pay for taxes related to the vesting of restricted stock.

Employee Stock Purchase Plan

The Company has an ESPP that, in accordance with Section 423 of the Internal Revenue Code, allows eligible employees to authorize payroll deductions of up to 5% of their salary to purchase shares of the Company's common stock. On June 3, 2020, the Company amended the plan so that the purchase price of the shares purchased could not be less than 85%, or more than 100% of the fair market price of the common stock on the last day of the enrollment period. This amendment became effective July 1, 2020. Employees may not purchase more than \$25,000 in stock during any calendar year. The maximum number of shares that may be issued under the ESPP is 3.0 million shares. During fiscal 2021, 2020, and 2019, employees purchased 188,608 shares at an average price of \$30.25 per share, 220,161 shares at an average price of \$34.90 per share and 169,299 shares at an average price of \$42.05 per share, respectively. As of April 30, 2021, the ESPP had approximately 0.5 million shares remaining available for future issuance.

Common Stock

During fiscal 2021, 2020 and 2019, the Company repurchased (on the open market or privately negotiated transactions) 973,451 shares, 2,606,861 shares and 809,074 shares, respectively, of the Company's common stock for \$30.4 million, \$92.4 million and \$37.4 million, respectively.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

5. Financial Instruments

The following tables show the Company's financial instruments and balance sheet classification as of April 30, 2021 and 2020:

April 30, 2021								
Fair Value Measurement					Balance Sheet Classification			
Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Marketable Securities, Current	Marketable Securities, Non-current	Other Accrued Liabilities	
(in thousands)								
Changes in Fair Value Recorded in Other Comprehensive Income								
Level 2:								
Commercial paper	\$ 51,979	\$ 1	\$ (7)	\$ 51,973	\$ 9,499	\$ 42,474	\$ —	\$ —
Corporate notes/bonds	26,371	—	(20)	26,351	—	10,134	16,217	—
U.S. Treasury and Agency Securities	1,975	—	—	1,975	—	1,975	—	—
Total debt investments	<u>\$ 80,325</u>	<u>\$ 1</u>	<u>\$ (27)</u>	<u>\$ 80,299</u>	<u>\$ 9,499</u>	<u>\$ 54,583</u>	<u>\$ 16,217</u>	<u>\$ —</u>
Changes in Fair Value Recorded in Net Income								
Level 1:								
Mutual funds (1)				\$ 175,559	\$ —	\$ 9,084	\$ 166,475	\$ —
Total equity investments				<u>\$ 175,559</u>	<u>\$ —</u>	<u>\$ 9,084</u>	<u>\$ 166,475</u>	<u>\$ —</u>
Cash				\$ 752,737	\$ 752,737	\$ —	\$ —	\$ —
Money market funds				88,542	88,542	—	—	—
Level 2:								
Foreign currency forward contracts				(12)	—	—	—	(12)
Total				<u>\$ 1,097,125</u>	<u>\$ 850,778</u>	<u>\$ 63,667</u>	<u>\$ 182,692</u>	<u>\$ (12)</u>

April 30, 2020								
Fair Value Measurement					Balance Sheet Classification			
Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Marketable Securities, Current	Marketable Securities, Non-current	Income Taxes & Other Receivables	
(in thousands)								
Changes in Fair Value Recorded in Other Comprehensive Income								
Level 2:								
Commercial paper	\$ 19,132	\$ 39	\$ —	\$ 19,171	\$ 4,785	\$ 14,386	\$ —	\$ —
Corporate notes/bonds	19,181	26	(19)	19,188	901	18,287	—	—
Total debt investments	<u>\$ 38,313</u>	<u>\$ 65</u>	<u>\$ (19)</u>	<u>\$ 38,359</u>	<u>\$ 5,686</u>	<u>\$ 32,673</u>	<u>\$ —</u>	<u>\$ —</u>
Changes in Fair Value Recorded in Net Income								
Level 1:								
Mutual funds (1)				\$ 141,412	\$ —	\$ 9,278	\$ 132,134	\$ —
Total equity investments				<u>\$ 141,412</u>	<u>\$ —</u>	<u>\$ 9,278</u>	<u>\$ 132,134</u>	<u>\$ —</u>
Cash				\$ 611,795	\$ 611,795	\$ —	\$ —	\$ —
Money market funds				71,763	71,763	—	—	—
Level 2:								
Foreign currency forward contracts				2,634	—	—	—	2,634
Total				<u>\$ 865,963</u>	<u>\$ 689,244</u>	<u>\$ 41,951</u>	<u>\$ 132,134</u>	<u>\$ 2,634</u>



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

- (1) These investments are held in trust for settlement of the Company's vested obligations of \$157.3 million and \$124.6 million as of April 30, 2021 and 2020, respectively, under the ECAP (see Note 6 — *Deferred Compensation and Retirement Plans*). Unvested obligations under the deferred compensation plans totaled \$26.5 million and \$21.7 million as of April 30, 2021 and 2020, respectively. During fiscal 2021 and 2019, the fair value of the investments increased; therefore, the Company recognized income of \$38.5 million and \$8.1 million, respectively, which was recorded in other income (loss), net. During fiscal 2020, the fair value of the investments decreased; therefore, the Company recognized a loss of \$1.8 million which was recorded in other income (loss), net.

Investments in marketable securities classified as available-for-sale securities are made based on the Company's investment policy, which restricts the types of investments that can be made. As of April 30, 2021 and 2020, marketable securities classified as available-for-sale consisted of both commercial paper and corporate notes/bonds and on April 30, 2021 also consisted of US Treasury and Agency securities for which market prices for similar assets are readily available. Investments that have an original maturity of 90 days or less and are considered highly liquid investments are classified as cash equivalents. As of April 30, 2021, available-for-sale marketable securities had remaining maturities ranging from one to twenty-one months. During fiscal 2021 and 2020, there were \$6.6 million and \$4.8 million in sales/maturities of available-for-sale marketable securities, respectively. Investments in marketable securities that are held in trust for settlement of the Company's vested obligations under the ECAP are equity securities and are based upon the investment selections the employee elects from a pre-determined set of securities in the ECAP and the Company invests in equity securities to mirror these elections. As of April 30, 2021 and 2020, the Company's investments in equity securities consisted of mutual funds for which market prices are readily available. Unrealized gains that relate to equity securities still held as of April 30, 2021, was \$32.7 million while unrealized losses that relate to equity securities held as of April 30, 2020 and 2019 was \$8.2 million and \$4.7 million, respectively.

Foreign Currency Forward Contracts Not Designated as Hedges

The fair value of derivatives not designated as hedge instruments are as follows:

	April 30,	
	2021	2020
	(in thousands)	
Derivative assets:		
Foreign currency forward contracts	\$ 822	\$ 3,034
Derivative liabilities:		
Foreign currency forward contracts	\$ 834	\$ 400

As of April 30, 2021, the total notional amounts of the forward contracts purchased and sold were \$9.4 million and \$44.9 million, respectively. As of April 30, 2020, the total notional amounts of the forward contracts purchased and sold were \$91.2 million and \$41.8 million, respectively. The Company recognizes forward contracts as a net asset or net liability on the consolidated balance sheets as such contracts are covered by master netting agreements. During fiscal 2021 and 2019 the Company incurred gains of \$2.7 million and \$1.2 million, respectively, related to forward contracts which is recorded in general and administrative expenses in the accompanying consolidated statements of income. These foreign currency gains offset foreign currency losses that result from transactions denominated in a currency other than the Company's functional currency. During fiscal 2020, the Company incurred losses of \$0.3 million, related to forward contracts which is recorded in general and administrative expenses in the accompanying consolidated statements of income. These foreign currency losses offset foreign currency gains that result from transactions denominated in a currency other than the Company's functional currency. The cash flows related to foreign currency forward contracts are included in cash flows from operating activities.

6. Deferred Compensation and Retirement Plans

The Company has several deferred compensation and retirement plans for eligible consultants and vice presidents that provide defined benefits to participants based on the deferral of current compensation or contributions made by the Company subject to vesting and retirement or termination provisions.



KORN FERRY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
April 30, 2021 (continued)

The total benefit obligations for these plans were as follows:

	Year Ended April 30,	
	2021	2020
	(in thousands)	
Deferred compensation and pension plans	\$ 178,994	\$ 156,586
Medical and Life Insurance plan	6,584	7,527
International retirement plans	15,633	14,851
Executive Capital Accumulation Plan	163,582	129,315
Total benefit obligation	364,793	308,279
Less: current portion of benefit obligation ⁽¹⁾	(18,338)	(19,143)
Non-current benefit obligation	\$ 346,455	\$ 289,136

⁽¹⁾ Current portion of benefit obligation is included in Compensation and benefits payable in the consolidated balance sheet.

Deferred Compensation and Pension Plans

The EWAP was established in fiscal 1994, which replaced the WAP. 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 at retirement age of 65 or later. Participants were able to acquire additional "deferral units" every five years. Vice presidents who did not choose to roll over their WAP units into the EWAP continue to be covered under the earlier version in which participants generally vest and commence receipt of benefit payments at retirement age of 65. In June 2003, the Company amended the EWAP and WAP, so as not to allow new participants or the purchase of additional deferral units by existing participants.

In conjunction with the acquisition of Hay Group, the Company acquired multiple pension and savings plans covering certain of its employees worldwide. Among these plans is a defined benefit pension plan for certain employees in the U.S. The assets of this plan are held separately from the assets of the sponsors in self-administered funds.

On July 8, 2016, the Company established the LTPI Plan in order 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. A unit award has a base value of \$50,000 for the purpose of determining the payment that would be made upon early termination for a partially vested unit award. The units vest 25% on each anniversary date with the unit becoming fully vested on the fourth anniversary of the grant date, subject to the participant's continued service as of each anniversary date. Each vested unit award will pay out an annual benefit of \$25,000 for each of five years commencing on the seventh anniversary of the grant date.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Deferred Compensation and Pension Plans

The following tables reconcile the benefit obligation for the deferred compensation plans:

	Year Ended April 30,	
	2021	2020
	(in thousands)	
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 180,821	\$ 148,369
Service cost	31,947	24,939
Interest cost	4,035	5,433
Actuarial (gain) loss	(590)	13,427
Administrative expenses paid	(265)	(155)
Benefits paid from plan assets	(2,327)	(3,932)
Benefits paid from cash	(7,881)	(6,652)
Plan amendment	—	(608)
Benefit obligation, end of year	205,740	180,821
Change in fair value of plan assets:		
Fair value of plan assets, beginning of year	24,235	25,131
Actual return on plan assets	4,523	2,726
Benefits paid from plan assets	(2,327)	(3,932)
Administrative expenses paid	(265)	(155)
Employer contributions	580	465
Fair value of plan assets, end of year	26,746	24,235
Funded status and balance, end of year (1)	<u>\$ (178,994)</u>	<u>\$ (156,586)</u>
Current liability	\$ 9,074	\$ 8,887
Non-current liability	169,920	147,699
Total liability	<u>\$ 178,994</u>	<u>\$ 156,586</u>
Plan Assets - weighted-average asset allocation:		
Debt securities	36 %	43 %
Equity securities	62 %	56 %
Other	2 %	1 %
Total	<u>100 %</u>	<u>100 %</u>

- (1) The Company purchased COLI contracts insuring the lives of certain employees eligible to participate in the deferred compensation and pension plans as a means of funding benefits under such plans. As the COLI contracts are held in trust and are not separated from our general corporate assets, they are not included in the funded status. As of April 30, 2021 and 2020, the Company held contracts with gross CSV of \$241.3 million and \$238.7 million, offset by outstanding policy loans of \$80.0 million and \$92.3 million, respectively.

The pension obligation in fiscal 2021 increased compared to fiscal 2020 due to the ongoing accruals for the LTPU Plan for additional awards issued in fiscal 2021. The increase in pension benefit obligations was partially offset by a change in the mortality assumption. The mortality assumption was updated from the MP-2019 projection scale to the MP-2020 mortality projection scale which improved our funded position. Also improving the funded position was the actual return on plan assets that was greater than expected. The fair value measurements of the defined benefit plan assets fall within the following levels of the fair value hierarchy as of April 30, 2021 and 2020:



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

	Level 1	Level 2	Level 3	Total
	(in thousands)			
April 30, 2021:				
Mutual funds	\$ —	\$ 26,140	\$ —	\$ 26,140
Money market funds	606	—	—	606
Total	<u>\$ 606</u>	<u>\$ 26,140</u>	<u>\$ —</u>	<u>\$ 26,746</u>
April 30, 2020:				
Mutual funds	\$ —	\$ 24,041	\$ —	\$ 24,041
Money market funds	194	—	—	194
Total	<u>\$ 194</u>	<u>\$ 24,041</u>	<u>\$ —</u>	<u>\$ 24,235</u>

Plan assets are invested in various asset classes that are expected to produce a sufficient level of diversification and investment return over the long term. The investment goal is a return on assets that is at least equal to the assumed actuarial rate of return over the long term within reasonable and prudent levels of risk. Investment policies reflect the unique circumstances of the respective plans and include requirements designed to mitigate risk including quality and diversification standards. Asset allocation targets are reviewed periodically with investment advisors to determine the appropriate investment strategies for acceptable risk levels. Our target allocation ranges are as follows: equity securities 50% to 70% and debt securities 30% to 50%. We establish our estimated long-term return on plan assets considering various factors, including the targeted asset allocation percentages, historic returns and expected future returns.

The components of net periodic benefits costs are as follows:

	Year Ended April 30,		
	2021	2020	2019
	(in thousands)		
Service cost	\$ 31,947	\$ 24,939	\$ 17,281
Interest cost	4,035	5,433	5,044
Amortization of actuarial loss	4,117	3,261	1,798
Net prior service credit amortization	(97)	(24)	—
Expected return on plan assets	(1,404)	(1,452)	(1,568)
Net periodic benefit cost (1)	<u>\$ 38,598</u>	<u>\$ 32,157</u>	<u>\$ 22,555</u>

(1) The service cost, interest cost and other components of net periodic benefit costs are included in compensation and benefits expense, interest expense, net and other income (loss), net, respectively, on the consolidated statements of income.

The weighted-average assumptions used in calculating the benefit obligations were as follows:

	Year Ended April 30,		
	2021	2020	2019
Discount rate, beginning of year	2.29 %	3.57 %	3.93 %
Discount rate, end of year	2.17 %	2.29 %	3.57 %
Rate of compensation increase	0.00 %	0.00 %	0.00 %
Expected long-term rates of return on plan assets	6.00 %	6.00 %	6.00 %

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid over the next ten years as follows:

Year Ending April 30,	Deferred Retirement Plans	
	(in thousands)	
2022	\$	11,544
2023		10,596
2024		15,589
2025		24,900
2026		33,811
2027-2031		213,120



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Medical and Life Insurance Plan

In conjunction with the acquisition of Hay Group, the Company inherited a benefit plan which offers medical and life insurance coverage to 18 participants. The medical and life insurance benefit plan is unfunded.

The following table reconciles the benefit obligation for the medical and life insurance plan:

	Year End April 30,	
	2021	2020
	(in thousands)	
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 7,527	\$ 7,310
Interest cost	140	227
Actuarial (gain) loss	(549)	458
Benefits paid	(534)	(468)
Benefit obligation, end of year	<u>\$ 6,584</u>	<u>\$ 7,527</u>
Current liability	\$ 601	\$ 666
Non-current liability	5,983	6,861
Total liability	<u>\$ 6,584</u>	<u>\$ 7,527</u>

The components of net periodic benefits costs are as follows:

	Year Ended April 30,		
	2021	2020	2019
	(in thousands)		
Service cost	\$ —	\$ —	\$ —
Interest cost	140	227	243
Net periodic service credit amortization	(308)	(308)	(308)
Amortization of actuarial gain	—	—	(14)
Net periodic benefit cost (1)	<u>\$ (168)</u>	<u>\$ (81)</u>	<u>\$ (79)</u>

- (1) The service cost, interest cost and the other components of net periodic benefit costs are included in compensation and benefits expense, interest expense, net and other income (loss), net, respectively, on the consolidated statements of income.

The weighted-average assumptions used in calculating the medical and life insurance plan were as follows:

	Year Ended April 30,		
	2021	2020	2019
Discount rate, beginning of year	2.45 %	3.67 %	3.94 %
Discount rate, end of year	2.54 %	2.45 %	3.67 %
Healthcare care cost trend rate	6.25 %	6.50 %	6.50 %

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid over the next ten years as follows:

Year Ending April 30,	Medical and Life Insurance
	(in thousands)
2022	\$ 601
2023	595
2024	576
2025	552
2026	527
2027-2031	2,153



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

International Retirement Plans

The Company also maintains various retirement plans and other miscellaneous deferred compensation arrangements in 24 foreign jurisdictions. The aggregate of the long-term benefit obligation accrued at April 30, 2021 and 2020 is \$15.6 million for 2,557 participants and \$14.9 million for 2,991 participants, respectively. The Company's contribution to these plans was \$12.7 million and \$14.4 million in fiscal 2021 and 2020, respectively.

Executive Capital Accumulation Plan

The Company's ECAP is intended to provide certain employees an opportunity to defer salary and/or bonus on a pre-tax basis. In addition, the Company, as part of its compensation philosophy, makes discretionary contributions into the ECAP and such contributions may be granted to key employees annually based on the employee's performance. Certain key management may also receive Company ECAP contributions upon commencement of employment. The Company amortizes these contributions on a straight-line basis over the service period, generally a five year period. Participants have the ability to allocate their deferrals among a number of investment options and may receive their benefits at termination, retirement or 'in service' either in a lump sum or in quarterly installments over one-to-15 years. The ECAP amounts that are expected to be paid to employees over the next 12 months are classified as a current liability included in compensation and benefits payable on the accompanying consolidated balance sheets.

The Company issued ECAP awards during fiscal 2021, 2020 and 2019 of \$8.2 million, \$9.0 million and \$8.5 million, respectively.

The ECAP is accounted for whereby the changes in the fair value of the vested amounts owed to the participants are adjusted with a corresponding charge (or credit) to compensation and benefits costs. During both fiscal 2021 and fiscal 2019, the deferred compensation liability increased; therefore, the Company recognized compensation expense of \$37.3 million and \$8.7 million, respectively. During fiscal 2020, deferred compensation liability decreased; therefore, the Company recognized a reduction in compensation expense of \$0.8 million. Offsetting the increases in compensation and benefits expense in fiscal 2021 and 2019 was increases in the fair value of marketable securities (held in trust to satisfy obligations of the ECAP liabilities) of \$38.5 million and \$8.1 million in fiscal 2021 and 2019, respectively, recorded in other income (loss), net on the consolidated statements of income. Offsetting the decrease in compensation and benefits expense in fiscal 2020 was a decrease in the fair value of marketable securities (held in trust to satisfy obligations of the ECAP liabilities) \$1.8 million in fiscal 2020, recorded in other income (loss), net on the consolidated statement of income.

Changes in ECAP liability were as follows:

	Year Ended April 30,	
	2021	2020
	(in thousands)	
Balance, beginning of year	\$ 129,315	\$ 130,161
Employee contributions	4,935	8,215
Amortization of employer contributions	6,287	6,074
Gain (loss) on investment	37,323	(826)
Employee distributions	(15,652)	(13,911)
Exchange rate fluctuations	1,374	(398)
Balance, end of year	163,582	129,315
Less: current portion	(8,663)	(9,590)
Non-current portion	\$ 154,919	\$ 119,725

As of April 30, 2021 and 2020, the unamortized portion of the Company contributions to the ECAP was \$20.2 million and \$17.0 million, respectively.

Defined Contribution Plan

The Company has a defined contribution plan ("401(k) plan") for eligible employees. Participants may contribute up to 50% of their base compensation as defined in the plan agreement. In addition, the Company has the option to make matching contributions. The Company intends to make matching contributions related to fiscal 2021 in fiscal 2022, which are accrued in compensation and benefits payable on the consolidated balance sheet. Due to the impact of COVID-19, the Company suspended matching contributions related to fiscal 2020. The Company made a \$3.0 million matching contribution in fiscal 2020 related to contributions made by employees in fiscal 2019.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Company Owned Life Insurance

The Company purchased COLI contracts insuring the lives of certain employees eligible to participate in the deferred compensation and pension plans as a means of funding benefits under such plans. The gross CSV of these contracts of \$241.3 million and \$238.7 million as of April 30, 2021 and 2020, respectively, is offset by outstanding policy loans of \$80.0 million and \$92.3 million in the accompanying consolidated balance sheets as of April 30, 2021 and 2020, respectively. Total death benefits payable, net of loans under COLI contracts, were \$443.9 million and \$451.7 million at April 30, 2021 and 2020, respectively. Management intends to use the future death benefits from these insurance contracts to fund the deferred compensation and pension arrangements; however, there may not be a direct correlation between the timing of the future cash receipts and disbursements under these arrangements. The CSV of the underlying COLI investments increased by \$13.0 million, \$6.6 million and \$6.2 million during fiscal 2021, 2020 and 2019, respectively, recorded as a decrease in compensation and benefits expense. In addition, certain policies are held in trusts to provide additional benefit security for the deferred compensation and pension plans. As of April 30, 2021, COLI contracts with a net CSV of \$145.1 million and death benefits, net of loans, of \$398.9 million were held in trust for these purposes.

7. Fee Revenue

Contract Balances

A contract asset (unbilled receivables) is recorded when the Company transfers control of products or services before there is an unconditional right to payment. A contract liability (deferred revenue) is recorded when cash is received in advance of performance of the obligation. Deferred revenue represents the future performance obligations to transfer control of products or services for which we have already received consideration. Deferred revenue is presented in other accrued liabilities on the consolidated balance sheet.

The following table outlines our contract asset and liability balances as of April 30, 2021 and 2020:

	April 30,	
	2021	2020
	(in thousands)	
Contract assets-unbilled receivables	\$ 82,842	\$ 65,370
Contract liabilities-deferred revenue	\$ 184,610	\$ 133,128

During fiscal 2021, 2020 and 2019 we recognized revenue of \$92.4 million, \$94.1 million and \$97.0 million, respectively, that were included in the contract liabilities balance at the beginning of the period.

Performance Obligations

The Company has elected to apply the practical expedient to exclude the value of unsatisfied performance obligations for contracts with a duration of one year or less, which applies to all executive search and professional search fee revenue. As of April 30, 2021, the aggregate transaction price allocated to the performance obligations that are unsatisfied for contracts with an expected duration of greater than one year at inception was \$739.5 million. Of the \$739.5 million of remaining performance obligations, we expect to recognize approximately \$415.8 million in fiscal 2022, \$197.3 million in fiscal 2023, \$92.4 million in fiscal 2024 and the remaining \$34.0 million in fiscal 2025 and thereafter. However, this amount should not be considered an indication of the Company's future revenue as contracts with an initial term of one year or less are not included. Further, our contract terms and conditions allow for clients to increase or decrease the scope of services and such changes do not increase or decrease a performance obligation until the Company has an enforceable right to payment.

Disaggregation of Revenue

The Company disaggregates its revenue by line of business and further by region for Executive Search. This information is presented in Note 12-Segments.

The following table provides further disaggregation of fee revenue by industry:



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

	Year Ended April 30,					
	2021		2020		2019	
	Dollars	%	Dollars	%	Dollars	%
	(dollars in thousands)					
Industrial	\$ 490,863	27.1 %	\$ 556,189	28.8 %	\$ 557,284	28.9 %
Life Sciences/Healthcare	355,668	19.7	343,955	17.8	322,574	16.7
Financial Services	331,976	18.3	334,433	17.3	348,460	18.1
Consumer Goods	239,457	13.2	285,927	14.8	295,900	15.4
Technology	275,510	15.2	285,562	14.8	261,176	13.6
Education/Non-Profit/General	116,573	6.5	126,666	6.5	140,639	7.3
Fee Revenue	<u>\$ 1,810,047</u>	<u>100.0 %</u>	<u>\$ 1,932,732</u>	<u>100.0 %</u>	<u>\$ 1,926,033</u>	<u>100.0 %</u>

8. Credit Losses

The Company is exposed to credit losses primarily through the provision of its Executive Search, Consulting and Digital services. The Company's expected credit loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions and a review of the current status of customers' trade accounts receivables. Due to the short-term nature of such receivables, the estimate of the amount of accounts receivable that may not be collected is primarily based on historical loss-rate experience. When required, the Company adjusts the loss-rate methodology to account for current conditions and reasonable and supportable expectations of future economic and market conditions. The Company generally assesses future economic conditions for a period of sixty to ninety days, which corresponds with the contractual life of its accounts receivables. Additionally, specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. The Company's monitoring activities include timely account reconciliation, dispute resolution, payment confirmation, consideration of customers' financial condition and macroeconomic conditions. Balances are written off when determined to be uncollectible. The Company considered the current and expected future economic and market conditions surrounding COVID-19 as of the end of the fiscal year and determined that the estimate of credit losses was not significantly impacted as of that date.

The activity in the allowance for credit losses on the Company's trade receivables is as follows:

	(in thousands)
Balance at April 30, 2018	\$ 17,845
Provision for credit losses	14,260
Write-offs	(10,608)
Recoveries of amounts previously written off	911
Foreign currency translation	(826)
Balance at April 30, 2019	21,582
Provision for credit losses	14,644
Write-offs	(12,518)
Recoveries of amounts previously written off	398
Foreign currency translation	(311)
Balance at April 30, 2020	23,795
Provision for credit losses	15,763
Write-offs	(12,073)
Recoveries of amounts previously written off	311
Foreign currency translation	1,528
Balance at April 30, 2021	<u>\$ 29,324</u>

The fair value and unrealized losses on available for sale debt securities, aggregated by investment category and the length of time the security has been in an unrealized loss position, are as follows:



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

	Less Than 12 Months		Balance Sheet Classification			
	Fair Value	Unrealized Loss	Cash and Cash Equivalents	Marketable Securities, Current	Marketable Securities, Non-Current	
Balance at April 30, 2021			(in thousands)			
Commercial paper	\$ 36,378	\$ 7	\$ 5,749	\$ 30,629	\$ —	
Corporate notes/bonds	\$ 26,350	\$ 20	\$ —	\$ 10,133	\$ 16,217	

The unrealized losses on 18 investments in Commercial paper securities and 15 investments in Corporate notes/bonds were caused by fluctuations in market interest rates. The Company only purchases high grade bonds that have a maturity from the date of purchase of no more than two years. The Company monitors the credit worthiness of its investments on a quarterly basis. The Company does not intend to sell the investments and does not believe it will be required to sell the investments before the investments mature and therefore recover the amortized cost basis.

9. Income Taxes

Income from continuing operations before provision for income taxes was as follows:

	Year Ended April 30,		
	2021	2020	2019
	(in thousands)		
Domestic	\$ 34,661	\$ 40,736	\$ (22,039)
Foreign	129,039	110,226	156,379
Income before provision for income taxes	<u>\$ 163,700</u>	<u>\$ 150,962</u>	<u>\$ 134,340</u>

The provision for domestic and foreign income taxes was as follows:

	Year Ended April 30,		
	2021	2020	2019
	(in thousands)		
Current income taxes:			
Federal	\$ 16,913	\$ 14,336	\$ 6,152
State	4,719	4,974	9,097
Foreign	40,646	33,965	42,091
Current provision for income taxes	<u>62,278</u>	<u>53,275</u>	<u>57,340</u>
Deferred income taxes:			
Federal	(5,809)	(6,862)	(16,211)
State	(5,025)	(784)	(7,682)
Foreign	(3,306)	(1,684)	(3,903)
Deferred benefit for income taxes	<u>(14,140)</u>	<u>(9,330)</u>	<u>(27,796)</u>
Total provision for income taxes	<u>\$ 48,138</u>	<u>\$ 43,945</u>	<u>\$ 29,544</u>

The reconciliation of the statutory federal income tax rate to the effective consolidated tax rate is as follows:

	Year Ended April 30,		
	2021	2020	2019
U.S. federal statutory income tax rate	21.0%	21.0%	21.0%
State tax, net of federal effect	1.0	2.2	1.1
Foreign tax rates differential	4.5	4.5	5.0
Non-deductible officers compensation	2.3	0.5	1.1
Excess tax expense (benefit) on stock-based compensation	0.8	(1.0)	(3.1)
Change in valuation allowance	0.3	—	(2.0)
COLI increase, net	(1.7)	(0.9)	(1.0)
Change in uncertain tax positions	1.1	0.2	0.1
Other	0.1	2.6	(0.2)
Effective income tax rate	<u>29.4%</u>	<u>29.1%</u>	<u>22.0%</u>



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Components of deferred tax assets and liabilities were as follows:

	April 30,	
	2021	2020
	(in thousands)	
Deferred tax assets:		
Deferred compensation	\$ 107,834	\$ 86,479
Operating lease liability	34,183	37,934
Loss carryforwards	39,704	27,845
Reserves and accruals	16,393	14,211
Allowance for doubtful accounts	4,885	4,029
Other	—	2,703
Gross deferred tax assets	<u>202,999</u>	<u>173,201</u>
Deferred tax liabilities:		
Operating lease, right-of-use, assets	(27,777)	(29,998)
Intangibles and Goodwill	(26,570)	(29,006)
Property and equipment	(20,590)	(22,332)
Prepaid expenses	(23,928)	(19,567)
Marketable Securities	(7,003)	—
Other	(2,684)	—
Gross deferred tax liabilities	<u>(108,552)</u>	<u>(100,903)</u>
Valuation allowances	(25,173)	(17,875)
Net deferred tax asset	<u>\$ 69,274</u>	<u>\$ 54,423</u>

Deferred tax assets are reduced by a valuation allowance if it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. Management believes uncertainty exists regarding the realizability of certain deferred tax assets and has, therefore, established a valuation allowance for deferred tax assets that are not more-likely-than-not to be realized. Realization of the deferred tax asset is dependent on the Company generating enough taxable income of the appropriate nature in future years. Although realization is not assured, management believes that it is more likely than-not that the net deferred tax assets will be realized. Deferred tax assets and deferred tax liabilities are presented net on the consolidated balance sheets by tax jurisdiction.

As of April 30, 2021, the Company had U.S. federal net operating loss carryforwards of \$2.2 million, which the Company anticipates will be fully utilized by fiscal2028. The Company has state net operating loss carryforwards of \$40.3 million, which, if unutilized, will begin to expire in fiscal2022. The Company also has foreign net operating loss carryforwards of \$159.3 million, which, if unutilized, will begin to expire in fiscal2022.

We continue to consider approximately \$571.3 million of undistributed earnings of our foreign subsidiaries to be indefinitely reinvested, and, accordingly, have provided no taxes on such earnings other than the Transition Tax. While we do not anticipate a need to repatriate funds to the U.S. to satisfy domestic liquidity needs, we review our cash positions regularly and, to the extent we determine that all or a portion of our foreign earnings are not indefinitely reinvested, we provide additional taxes, if applicable, including foreign withholding taxes and U.S. state income taxes.

The Company elected to treat taxes due on future U.S. inclusions in taxable income related to Global Intangible Low-Taxed Income as an expense when incurred (the "period cost method") as opposed to factoring such amounts in the Company's measurement of its deferred taxes (the "deferred method").

The Company and its subsidiaries file federal and state income tax returns in the U.S. as well as in foreign jurisdictions. These income tax returns are subject to audit by the Internal Revenue Service (the "IRS") and various state and foreign tax authorities. Currently, income tax returns of the Company's subsidiaries are under audit in Brazil, Germany, Switzerland, Japan and India. The Company's income tax returns are not otherwise under examination in any material jurisdictions. The statute of limitations varies by jurisdiction in which the Company operates. With few exceptions, however, the Company's tax returns for years prior to fiscal 2015 are no longer open to examination by tax authorities (including U.S. federal, state and foreign).



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Unrecognized tax benefits are the differences between the amount of benefits of tax positions taken, or expected to be taken, on a tax return and the amount of benefits recognized for financial reporting purposes. As of April 30, 2021, the Company had a liability of \$10.0 million for unrecognized tax benefits. A reconciliation of the beginning and ending balances of the unrecognized tax benefits is as follows:

	Year Ended April 30,		
	2021	2020	2019
	(in thousands)		
Unrecognized tax benefits, beginning of year	\$ 6,037	\$ 7,794	\$ 3,674
Settlement with tax authority	—	(1,767)	(1,771)
Additions based on tax positions related to the current year	1,716	10	1,775
Additions based on tax positions related to prior years	2,201	—	4,116
Unrecognized tax benefits, end of year	<u>\$ 9,954</u>	<u>\$ 6,037</u>	<u>\$ 7,794</u>

The full amount of unrecognized tax benefits would impact the effective tax rate if recognized. In the next 12 months, it is reasonably possible that the Company's unrecognized tax benefits could change due to the resolution of certain tax matters either because the tax positions are sustained on audit or the Company agrees to their disallowance. These resolutions could reduce the Company's liability for unrecognized tax benefits by approximately \$1.3 million. The Company does not expect a change in the amount of unrecognized tax benefits to have a material financial statement impact.

The Company classifies interest and penalties related to unrecognized tax benefits as a component of the provision for income taxes. The Company had accruals of \$0.9 million, \$0.6 million, and \$0.4 million for interest related to unrecognized tax benefits as of April 30, 2021, 2020, and 2019 respectively. The Company had an accrual of \$0.5 million as of April 30, 2021, for penalties related to unrecognized tax benefits and no accrual for penalties related to unrecognized tax benefits in fiscal 2020 and 2019. The Company recognized tax expense of \$0.8 million, \$0.2 million, and \$0.1 million for interest and penalties related to unrecognized tax benefits during fiscal 2021, 2020, and 2019, respectively.

10. Property and Equipment, Net

Property and equipment include the following:

	April 30,	
	2021	2020
	(in thousands)	
Computer equipment and software (1)	\$ 290,417	\$ 261,970
Leasehold improvements	89,276	85,208
Furniture and fixtures	44,033	42,741
Automobiles	3,356	3,065
	<u>427,082</u>	<u>392,984</u>
Less: accumulated depreciation and amortization	(295,304)	(250,256)
Property and equipment, net	<u>\$ 131,778</u>	<u>\$ 142,728</u>

(1) Depreciation expense for capitalized software was \$25.4 million, \$18.8 million and \$14.6 million during fiscal 2021, 2020 and 2019, respectively. The net book value of the Company's computer software costs included in property and equipment, net was \$85.6 million and \$86.3 million as of April 30, 2021 and 2020, respectively.

Depreciation expense for property and equipment was \$42.6 million, \$39.0 million and \$33.0 million during fiscal 2021, 2020 and 2019, respectively.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

11. Long-Term Debt

4.625% Senior Unsecured Notes due 2027

On December 16, 2019, the Company completed a private placement of 4.625% Senior Unsecured Notes due 2027 (the "Notes") with a \$400 million principal amount pursuant to Rule 144A and Regulation S under the Securities Act of 1933, as amended. The Notes were issued with a \$4.5 million discount and will mature December 15, 2027, with interest payable semi-annually in arrears on June 15 and December 15 of each year, commencing on June 15, 2020. The Notes represent senior unsecured obligations that rank equally in right of payment to all existing and future senior unsecured indebtedness. The Company may redeem the Notes prior to maturity, subject to certain limitations and premiums defined in the indenture governing the Notes. At any time prior to December 15, 2022, the Company may redeem the Notes at a redemption price equal to 100% of the principal plus the Applicable Premium (as defined in the indenture governing the Notes), and accrued and unpaid interest. At any time prior to December 15, 2022, the Company may use the proceeds of certain equity offerings to redeem up to 35% of the aggregate principal amount of the Notes, including any permitted additional notes, at a redemption price equal to 104.625% of the principal amount and accrued and unpaid interest. At any time and from time to time on or after December 15, 2022, the Company may redeem the Notes at the applicable redemption prices set forth in the table below, plus accrued and unpaid interest, if redeemed during the 12-month period beginning on December 15 of each of the years indicated:

Year	Percentage
2022	102.313%
2023	101.156%
2024 and thereafter	100.000%

The Notes allow the Company to pay \$25 million of dividends per fiscal year with no restrictions, plus an unlimited amount of dividends so long as the Company's consolidated total leverage ratio is not greater than 3.50 to 1.00, and the Company is not in default under the indenture governing the Notes. The Notes are guaranteed by each of the Company's existing and future wholly owned domestic subsidiaries to the extent such subsidiaries guarantee the Company's revolving credit facility. The indenture governing the Notes requires that, upon the occurrence of both a Change of Control and a Rating Decline (each as defined in the indenture), the Company shall make an offer to purchase all of the Notes at 101% of their principal amount and accrued and unpaid interest. The Company used the proceeds from the offering of the Notes to repay \$276.9 million outstanding under the Company's prior revolving credit facility and to pay expenses and fees in connection therewith. The remainder of the proceeds were used for general corporate requirements. The effective interest rate on the Notes is 4.86%. As of April 30, 2021 and 2020, the fair value of the Notes was \$416.5 million and \$372.5 million, respectively, based on borrowing rates then required of notes with similar terms, maturity and credit risk. The fair value of the Notes was classified as a Level 2 measurement in the fair value hierarchy.

Long-term debt, at amortized cost, consisted of the following:

In thousands	April 30, 2021	April 30, 2020
Senior Unsecured Notes	\$ 400,000	\$ 400,000
Less: Unamortized discount and issuance costs	(5,206)	(5,856)
Long-term borrowings, net of unamortized discount and debt issuance costs	<u>\$ 394,794</u>	<u>\$ 394,144</u>

Credit Facility

On December 16, 2019, the Company entered into a Credit Agreement (the "Credit Agreement") with a syndicate of banks and Bank of America, National Association as administrative agent to among other things, provide for enhanced financial flexibility. The Credit Agreement provides for a \$650.0 million five-year senior secured revolving credit facility (the "Revolver"), and contains certain customary affirmative and negative covenants, including a maximum consolidated net leverage ratio, a maximum consolidated secured net leverage ratio and a minimum interest coverage ratio. The Credit Agreement permits the payment of dividends to stockholders and Company share repurchases so long as there is no default under the Credit Agreement, the total funded debt to adjusted EBITDA ratio (as set forth in the credit agreement, the "consolidated net leverage ratio"), is no greater than 4.00 to 1.00, and the pro forma liquidity is at least \$50.0 million.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

The principal balance of the Revolver, if any, is due on the date of its termination. The Revolver matures on December 16, 2024 and any unpaid principal balance is payable on this date. The Revolver may also be prepaid and terminated early by the Company at any time without premium or penalty (subject to customary LIBOR breakage fees).

At the Company's option, loans issued under the Credit Agreement will bear interest at either LIBOR or an alternate base rate, in each case plus the applicable interest rate margin. The interest rate applicable to loans outstanding under the Credit Agreement may fluctuate between LIBOR plus 1.125% per annum to LIBOR plus 2.00% per annum, in the case of LIBOR borrowings (or between the alternate base rate plus 0.125% per annum and the alternate base rate plus 1.00% per annum, in the alternative), based upon the Company's total funded debt to adjusted EBITDA ratio (as set forth in the Credit Agreement, the "consolidated net leverage ratio") at such time. In addition, the Company will be required to pay to the lenders a quarterly commitment fee ranging from 0.175% to 0.35% per annum on the average daily unused amount of the Revolver, based upon the Company's consolidated net leverage ratio at such time, and fees relating to the issuance of letters of credit. The average interest rate on our current and previous term loan for fiscal 2020 and 2019 was 3.34% and 3.50%, respectively.

As of April 30, 2021 and 2020, there was no outstanding liability under the Revolver. The unamortized debt issuance costs associated with the Credit Agreement was \$3.3 million and \$4.2 million as of April 30, 2021 and 2020, respectively. The debt issuance costs were included in other current assets and other non-current assets on the consolidated balance sheets. As of April 30, 2021, the Company was in compliance with its debt covenants.

The Company had a total of \$646.0 million available under the Revolver after \$4.0 million of standby letters of credit have been issued as of April 30, 2021 and 2020. The Company had a total of \$11.0 million and \$11.3 million of standby letters with other financial institutions as of April 30, 2021 and 2020, respectively. The standby letters of credit were generally issued as a result of entering into office premise leases.

The Company has outstanding borrowings against the CSV of COLI contracts of \$80.0 million and \$92.3 million at April 30, 2021 and 2020, respectively. CSV reflected in the accompanying consolidated balance sheets is net of the outstanding borrowings, which are secured by the CSV of the life insurance policies. Principal payments are not scheduled and interest is payable at least annually at various fixed and variable rates ranging from 4.76% to 8.00%.

12. Segments

The Company has seven reportable segments: Consulting, Digital, Executive Search North America, Executive Search EMEA, Executive Search Asia Pacific, Executive Search Latin America and RPO & Professional Search. Revenues are directly attributed to a reportable segment and expenses not directly associated with a specific segment are allocated based on the most relevant measures applicable, including revenues, headcount and other factors.

The Company's seven reportable segments operate through the following four lines of business:

1. **Consulting** aligns organization structure, culture, performance and people to drive sustainable growth by addressing four fundamental needs: Organizational Strategy, Assessment and Succession, Leadership and Professional Development and Total Rewards. This work is supported by a comprehensive range of some of the world's leading IP and data.
2. **Digital** leverages an artificial intelligence powered, machine-learning platform to identify structure, roles, capabilities and behaviours needed to drive business forward. This end-to-end system combines Korn Ferry proprietary data, client data, and external market data to generate insight and recommend action.
3. **Executive Search** helps organizations recruit board level, chief executive and other senior executive and general management talent. Behavioral interviewing and proprietary assessments are used to determine ideal organizational fit, and salary benchmarking builds appropriate frameworks for compensation and retention.
4. **RPO and Professional Search** combines people, process expertise and IP-enabled technology to deliver enterprise talent acquisition solutions to clients. Transaction sizes range from single professional searches to team, department and line of business projects, and global outsource recruiting solutions.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Executive Search is managed by geographic regional leaders. Worldwide operations for Consulting, Digital, and RPO and Professional Search are managed by their Chief Executive Officers. The Executive Search geographic regional leaders and the Chief Executive Officers of Consulting, Digital, and RPO & Professional Search report directly to the Chief Executive Officer of the Company. The Company also operates Corporate to record global expenses.

The Company evaluates performance and allocates resources based on the Company's chief operating decision maker ("CODM") review of (1) fee revenue and (2) adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). To the extent that such costs or charges occur, Adjusted EBITDA excludes restructuring charges, integration/acquisition costs, certain separation costs and certain non-cash charges (goodwill, intangible asset and other impairment charges). The CODM is not provided asset information by reportable segment.

Financial highlights by reportable segments are as follows:

	Year Ended April 30, 2021								
	Executive Search						RPO & Professional Search	Corporate	Consolidated
	Consulting	Digital	North America	EMEA	Asia Pacific	Latin America			
	(in thousands)								
Fee revenue	\$ 515,844	\$ 287,306	\$ 397,275	\$ 138,954	\$ 83,306	\$ 17,500	\$ 369,862	\$ —	\$ 1,810,047
Total revenue	\$ 517,046	\$ 287,780	\$ 399,104	\$ 139,213	\$ 83,463	\$ 17,500	\$ 375,840	\$ —	\$ 1,819,946
Net income attributable to Korn Ferry									\$ 114,454
Net income attributable to noncontrolling interest									1,108
Other income, net									(37,194)
Interest expense, net									29,278
Income tax provision									48,138
Operating income									\$ 155,784
Depreciation and amortization									61,845
Other income, net									37,194
Integration/acquisition costs									737
Restructuring charges, net									30,732
Adjusted EBITDA ⁽¹⁾	\$ 81,522	\$ 86,095	\$ 98,099	\$ 11,742	\$ 16,676	\$ 1,289	\$ 69,411	\$ (78,542)	\$ 286,292

(1) Adjusted EBITDA refers to earnings before interest, taxes, depreciation and amortization and further excludes integration/acquisition and net restructuring charges.

	Year Ended April 30, 2020								
	Executive Search						RPO & Professional Search	Corporate	Consolidated
	Consulting	Digital	North America	EMEA	Asia Pacific	Latin America			
	(in thousands)								
Fee revenue	\$ 543,095	\$ 292,366	\$ 434,624	\$ 170,314	\$ 98,132	\$ 29,400	\$ 364,801	\$ —	\$ 1,932,732
Total revenue	\$ 557,255	\$ 294,261	\$ 447,528	\$ 172,978	\$ 99,209	\$ 29,493	\$ 376,606	\$ —	\$ 1,977,330
Net income attributable to Korn Ferry									\$ 104,946
Net income attributable to noncontrolling interest									2,071
Other loss, net									2,879
Interest expense, net									22,184
Income tax provision									43,945
Operating income									\$ 176,025
Depreciation and amortization									55,311
Other loss, net									(2,879)
Integration/acquisition costs									12,152
Restructuring charges, net									58,559
Separation costs									1,783
Adjusted EBITDA ⁽¹⁾	\$ 61,092	\$ 83,073	\$ 120,725	\$ 31,067	\$ 22,885	\$ 6,402	\$ 60,168	\$ (84,461)	\$ 300,951

(1) Adjusted EBITDA refers to earnings before interest, taxes, depreciation and amortization and further excludes integration/acquisition costs, net restructuring charges and separation costs.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

	Year Ended April 30, 2019																		
	Executive Search						RPO & Professional Search	Corporate	Consolidated										
	Consulting	Digital	North America	EMEA	Asia Pacific	Latin America													
										(in thousands)									
Fee revenue	\$	568,321	\$	252,727	\$	455,826	\$	182,829	\$	104,291	\$	31,896	\$	330,143	\$	—	\$	1,926,033	
Total revenue	\$	585,893	\$	252,727	\$	469,743	\$	186,131	\$	105,543	\$	31,960	\$	341,865	\$	—	\$	1,973,862	
Net income attributable to Korn Ferry																		\$	102,651
Net income attributable to noncontrolling interest																			2,145
Other income, net																			(10,405)
Interest expense, net																			16,891
Income tax provision																			29,544
Operating income																		\$	140,826
Depreciation and amortization																			46,489
Other income, net																			10,405
Integration/acquisition costs																			6,746
Tradename write-offs																			106,555
Adjusted EBITDA ⁽¹⁾	\$	66,531	\$	84,455	\$	131,343	\$	31,660	\$	26,073	\$	4,730	\$	54,407	\$	(88,178)	\$		311,021

(1) Adjusted EBITDA refers to earnings before interest, taxes, depreciation and amortization and further excludes, integration/acquisition costs and tradename write-offs .

Fee revenue attributed to an individual customer or country, other than the U.S. and United Kingdom, did not account for more than 10% of the total fee revenue in fiscal 2021, 2020 or 2019. Fee revenue classified by country in which the Company derives revenues are as follows:

	Year Ended April 30,		
	2021	2020	2019
	(in thousands)		
U.S.	\$ 837,682	\$ 875,605	\$ 859,969
United Kingdom	189,893	204,271	202,055
Other countries	782,472	852,856	864,009
Total fee revenue	\$ 1,810,047	\$ 1,932,732	\$ 1,926,033

Other than the U.S. and United Kingdom, no single country had over 10% of the total long-lived assets, excluding financial instruments and tax assets. Long-lived assets, excluding financial instruments and tax assets, classified by location of the controlling statutory country are as follows:

	Year Ended April 30,		
	2021	2020	2019
	(in thousands)		
U.S. (1)	\$ 182,218	\$ 199,436	\$ 98,455
United Kingdom	34,081	35,739	6,466
Other countries	89,600	102,630	26,584
Total long-lived assets	\$ 305,899	\$ 337,805	\$ 131,505

(1) Includes Corporate long-lived assets

13. Restructuring Charges, Net

On April 20, 2020, in light of the uncertainty in worldwide economic conditions caused by the COVID-19 pandemic and, as part of a broader program aimed at further enhancing Korn Ferry's strong balance sheet and liquidity position, the Company adopted a restructuring plan intended to adjust its cost base to the current economic environment and to position the Company to invest into the recovery. The Company continued the implementation of this plan in the first quarter of fiscal 2021. There were no new such actions in the rest of fiscal 2021. Rather, the Company completed the actions initiated in prior quarters and made adjustments to previously recorded restructuring accruals resulting in restructuring charges, net of \$30.7 million and \$40.5 million during fiscal 2021 and 2020, respectively, across all lines of business relating to severance for eliminated positions.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

In the third quarter of fiscal 2020, the Company adopted a restructuring plan to rationalize its cost structure to realize the efficiencies and operational improvement that the investments in the Digital business, as discussed in Note 12—*Segments*, have enabled, or position us to realize. The restructuring plan impacted both the Consulting and Digital segments and included the elimination of redundant positions, which resulted in restructuring charges, net of \$18.1 million in fiscal 2020, relating to severance for eliminated positions.

Changes in the restructuring liability were as follows:

	Restructuring Liability	
	(in thousands)	
As of April 30, 2019	\$	531
Restructuring charges, net		58,559
Reductions for cash payments		(16,737)
Non-cash payments		(8,053)
Exchange rate fluctuations		(147)
As of April 30, 2020		34,153
Restructuring charges, net		30,732
Reductions for cash payments		(56,387)
Non-cash payments		(3,968)
Exchange rate fluctuations		2,455
As of April 30, 2021	\$	6,985

As of April 30, 2021 and 2020, the restructuring liability is included in the current portion of other accrued liabilities on the consolidated balance sheets, except for \$0.6 million and \$0.6 million, respectively, which are included in other long-term liabilities.

14. Goodwill and Intangible Assets

Changes in the carrying value of goodwill by reportable segment were as follows:

	Executive Search					RPO & Professional Search	
	Consulting	Digital	North America	EMEA	Asia Pacific		Consolidated
	(in thousands)						
Balance as of May 1, 2019	\$ 173,147	\$ 284,214	\$ 46,571	\$ 45,480	\$ 972	\$ 27,914	\$ 578,298
Additions	—	38,926	—	—	—	—	38,926
Exchange rate fluctuations	(133)	(413)	(850)	(986)	—	(899)	(3,281)
Balance as of April 30, 2020	173,014	322,727	45,721	44,494	972	27,015	613,943
Adjustments	—	2,643	—	—	—	—	2,643
Exchange rate fluctuations	396	1,258	2,777	2,955	—	2,697	10,083
Balance as of April 30, 2021	\$ 173,410	\$ 326,628	\$ 48,498	\$ 47,449	\$ 972	\$ 29,712	\$ 626,669

Tax deductible goodwill from the Miller Heiman acquisition was \$24.5 million and \$34.9 million as of April 30, 2021 and 2020, respectively. Tax deductible goodwill from the PIVOT Leadership acquisition was \$6.6 million and \$7.2 million as of April 30, 2021 and 2020, respectively.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Intangible assets include the following:

	April 30, 2021			April 30, 2020		
	(in thousands)					
Amortized intangible assets:	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer lists	\$ 131,299	\$ (76,489)	\$ 54,810	\$ 131,299	\$ (64,762)	\$ 66,537
Intellectual property	69,100	(33,623)	35,477	69,100	(26,548)	42,552
Proprietary databases	4,256	(4,234)	22	4,256	(4,202)	54
Non-compete agreements	910	(910)	—	910	(910)	—
Trademarks	7,186	(4,636)	2,550	7,186	(4,236)	2,950
Total	<u>\$ 212,751</u>	<u>\$ (119,892)</u>	<u>92,859</u>	<u>\$ 212,751</u>	<u>\$ (100,658)</u>	<u>112,093</u>
Exchange rate fluctuations			90			(167)
Total Intangible assets			<u>\$ 92,949</u>			<u>\$ 111,926</u>

Acquisition-related intangible assets acquired in fiscal 2020 consists of IP, customer relationships and tradenames of \$6.0 million, \$6.2 million, and \$3.2 million, respectively, with weighted-average useful lives from the date of purchase of seven years, ten years, and nine years, respectively.

During fiscal 2019, the Company decided to further integrate our go-to-market activities under one master brand —Korn Ferry, and discontinued the use of all sub-brands. Two of the Company's sub-brands, Hay Group and Lominger, were acquired by Korn Ferry through acquisitions. As a result of the decision to discontinue their use, the Company took a non-cash intangible asset impairment charge of \$106.6 million during fiscal 2019, recorded in general and administrative expenses on the accompanying statement of income, of which \$77.0 million was recorded in the Consulting reportable segment and \$29.6 million in the Digital reportable segment.

Amortization expense for amortized intangible assets was \$19.2 million, \$16.3 million and \$13.5 million during fiscal 2021, 2020 and 2019, respectively. Estimated annual amortization expense related to amortizing intangible assets is as follows:

Year Ending April 30,	Estimated Annual Amortization Expense
	(in thousands)
2022	\$ 19,123
2023	17,271
2024	14,794
2025	14,679
2026	14,174
Thereafter	12,908
	<u>\$ 92,949</u>

All amortizable intangible assets will be fully amortized by the end of fiscal 2032.

15. Leases

The Company's lease portfolio is comprised of operating leases for office space and equipment and finance leases for equipment. Equipment leases are comprised of vehicles and office equipment. The majority of the Company's leases include both lease and non-lease components. Non-lease components primarily include maintenance, insurance, taxes and other utilities. The Company has decided to combine fixed payments for non-lease components with its lease payments and account for them as a single lease component, which increases its ROU assets and lease liabilities. Some of the leases include one or more options to renew or terminate the lease at the Company's discretion. Generally, the renewal and termination options are not included in the ROU assets and lease liabilities as they are not reasonably certain of exercise. The Company has elected not to recognize a ROU asset or lease liability for leases with an initial term of 12 months or less.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of the future minimum lease payments. The Company applies the portfolio approach when determining the incremental borrowing rate since it has a centrally managed treasury function. The Company's incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments in a similar economic environment.

Operating leases contain both office and equipment leases and have remaining terms that range from less than one year to 11 years, some of which also include options to extend or terminate the lease. Finance leases are comprised of equipment leases and have remaining terms that range from less than one year to almost 5 years. Finance lease assets are included in property and equipment, net while finance lease liabilities are included in other accrued liabilities and other liabilities.

As a result of the acquisition of the Acquired Companies in fiscal 2020, the Company recognized ROU assets of \$2.2 million with a corresponding liability of \$6.7 million. The ROU asset balance was adjusted by reclassification of pre-existing prepaid expenses, restructuring liabilities and deferred rent totaling \$3.5 million. As part of the plan for integrating the Acquired Companies, the Company decided to exit 16 office leases and as a result, recorded an impairment charge of the ROU assets of \$2.3 million in fiscal 2020 recorded in the consolidated statement of income.

The components of lease expense were as follows:

	Year Ended April 30,	
	2021	2020
	(in thousands)	
Finance lease cost		
Amortization of ROU assets	\$ 1,221	\$ 1,820
Interest on lease liabilities	114	149
	1,335	1,969
Operating lease cost	56,166	57,683
Short-term lease cost	474	1,111
Variable lease cost	11,592	13,562
Lease impairment cost	—	2,282
Sublease income	(657)	(447)
Total lease cost	\$ 68,910	\$ 76,160

Rent expense, as previously defined under ASC 840, which includes the Company leased office premises and certain office equipment leases for fiscal 2019 was \$8.2 million.

Supplemental cash flow information related to leases was as follows:

	Year Ended April 30,	
	2021	2020
	(in thousands)	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 66,991	\$ 59,631
Financing cash flows from finance leases	\$ 1,324	\$ 1,833
ROU assets obtained in exchange for lease obligations:		
Operating leases	\$ 13,638	\$ 15,246
Finance leases	\$ 516	\$ 1,333



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

Supplemental balance sheet information related to leases was as follows:

	Year Ended April 30,	
	2021	2020
	(in thousands)	
Finance Leases:		
Property and equipment, at cost	\$ 4,801	\$ 4,281
Accumulated depreciation	(2,590)	(1,485)
Property and equipment, net	<u>\$ 2,211</u>	<u>\$ 2,796</u>
Other accrued liabilities	\$ 1,010	\$ 1,241
Other liabilities	1,301	1,634
Total finance lease liabilities	<u>\$ 2,311</u>	<u>\$ 2,875</u>
Weighted average remaining lease terms:		
Operating leases	5.0 years	5.5 years
Finance leases	2.7 years	2.9 years
Weighted average discount rate:		
Operating leases	4.8 %	4.8 %
Finance leases	4.2 %	4.1 %

Maturities of lease liabilities are as follows:

Year Ending April 30,	Operating	Financing
	(in thousands)	
2022	\$ 56,636	\$ 1,084
2023	48,092	784
2024	41,216	439
2025	34,653	130
2026	29,350	—
Thereafter	20,734	—
Total lease payments	230,681	2,437
Less: imputed interest	26,697	126
Total	<u>\$ 203,984</u>	<u>\$ 2,311</u>

16. Acquisition

On November 1, 2019, the Company completed its acquisition of the Acquired Companies for \$108.6 million, net of cash acquired.

The Acquired Companies contributed a world-class portfolio of learning, development and performance improvement offerings and expertise to Korn Ferry and bolster the Company's substantial leadership development capabilities. These companies are included in the Digital segment which, working closely with the Consulting segment, provides clients with direct access to data, insights and analytics from one of the world's most comprehensive people and organizational databases. The addition of the Acquired Companies further expanded Korn Ferry's vast IP and content and leveraged the firm's digital delivery platforms. Actual results of operations of the Acquired Companies are included in the Company's consolidated financial statements from November 1, 2019, the effective date of the acquisition.



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

The following table provides a summary of the net assets acquired in fiscal 2020 (as no acquisitions were completed in fiscal 2021 or 2019):

	Year Ended April 30, 2020 (in thousands)
Current assets (1)	\$ 44,475
Long-term assets	15,024
Intangibles assets	45,400
Current liabilities	29,503
Long-term liabilities	5,720
Net assets acquired	69,676
Purchase price	108,602
Goodwill	\$ 38,926

(1) Included in current assets is acquired receivables in the amount of \$41.1 million.

The aggregate purchase price was allocated on a preliminary basis to the assets acquired and liabilities assumed on their estimated fair values at the date of acquisition. During fiscal 2021, the Company finalized the purchase price allocation by recording an increase in goodwill of \$2.6 million as a result of additional tax liabilities.

17. Commitments and Contingencies

Employment Agreements

The Company has a policy of entering into offer letters of employment or letters of promotion with vice presidents, which provide for an annual base salary and discretionary and incentive bonus payments. Certain key vice presidents who typically have been employed by the Company for several years may also have a standard form employment agreement. Upon termination without cause, the Company is required to pay the amount of severance due under the employment agreement, if any. The Company also requires its vice presidents to agree in their employment letters and their employment agreement, if applicable, not to compete with the Company during the term of their employment and for a certain period after their employment ends.

Litigation

From time to time, the Company has been and is involved in litigation incidental to its business. The Company is currently not a party to any litigation which, if resolved adversely against the Company, would, in the opinion of management, after consultation with legal counsel, have a material adverse effect on the Company's business, financial position or results of operations.

18. Quarterly Results (Unaudited)

The following table sets forth certain unaudited consolidated statements of income data for the quarters in fiscal 2021 and 2020. The unaudited quarterly information has been prepared on the same basis as the annual financial statements and, in management's opinion, includes all adjustments necessary to present fairly the information for the quarters presented.

	Quarters Ended							
	Fiscal 2021				Fiscal 2020			
	April 30	January 31	October 31	July 31	April 30	January 31	October 31	July 31
	(in thousands, except per share data)							
Fee revenue	\$ 555,151	\$ 475,360	\$ 435,439	\$ 344,097	\$ 440,469	\$ 515,325	\$ 492,389	\$ 484,549
Operating income (loss)	\$ 86,252	\$ 65,155	\$ 48,172	\$ (43,795)	\$ 22,227	\$ 31,595	\$ 61,869	\$ 60,334
Net income (loss)	\$ 66,751	\$ 51,588	\$ 28,078	\$ (30,855)	\$ (621)	\$ 20,956	\$ 43,032	\$ 43,650
Net income (loss) attributable to Korn Ferry	\$ 66,190	\$ 51,319	\$ 27,778	\$ (30,833)	\$ (802)	\$ 19,993	\$ 42,804	\$ 42,951
Net earnings (loss) per common share:								
Basic	\$ 1.22	\$ 0.95	\$ 0.51	\$ (0.58)	\$ (0.02)	\$ 0.37	\$ 0.78	\$ 0.77
Diluted	\$ 1.21	\$ 0.94	\$ 0.51	\$ (0.58)	\$ (0.02)	\$ 0.36	\$ 0.77	\$ 0.76



KORN FERRY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2021 (continued)

19. Subsequent Event

Quarterly Dividend Declaration

On June 21, 2021, the Board of Directors of the Company approved an increase of 20% in the Company's quarterly dividend policy to \$0.12 per share and declared a cash dividend of \$0.12 per share with a payment date of July 30, 2021 to holders of the Company's common stock of record at the close of business on July 6, 2021. The declaration and payment of future dividends under the quarterly dividend policy will be at the discretion of the Board of Directors and will depend upon many factors, including the Company's earnings, capital requirements, financial condition, the terms of the Company's indebtedness and other factors that the Board of Directors may deem to be relevant. The Board may amend, revoke or suspend the dividend policy at any time and for any reason.

KORN FERRY AND SUBSIDIARIES
SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS
April 30, 2021

Column A	Column B	Column C		Column D	Column E
Description	Balance at Beginning of Period	Additions		Deductions	Balance at End of Period
		Charges to Cost and Expenses	Charges to Other Accounts		
		(in thousands)			
Deferred tax asset valuation allowance:					
Year Ended April 30, 2021	\$ 17,875	\$ 1,642	\$ 8,119	\$ (2,463)	\$ 25,173
Year Ended April 30, 2020	\$ 14,032	\$ 886	\$ 3,939	\$ (982)	\$ 17,875
Year Ended April 30, 2019	\$ 15,682	\$ 5,170	\$ —	\$ (6,820)	\$ 14,032

**KORN FERRY
EXECUTIVE CAPITAL ACCUMULATION PLAN**

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**KORN FERRY
EXECUTIVE CAPITAL ACCUMULATION PLAN**

(as amended and restated effective July 1, 2021)

1. PURPOSE OF PLAN

The purpose of this Plan is to promote the success of the Company by providing a select group of management and highly compensated employees an opportunity to defer salary and bonuses as an additional means to attract, motivate and retain such employees. Only Eligible Employees (as defined herein) are eligible to participate in this Plan.

2. DEFINITIONS

Whenever the following words and phrases are used in this Plan, with the first letter capitalized, they shall have the meanings specified below.

“401(k) Plan” shall mean the Korn Ferry Employee Tax Deferred Savings Plan.

“Account” or **“Accounts”** shall mean a Participant’s Deferral Account and/or Company Contributions Account.

“Annual Company Contribution Subaccount” shall mean a subaccount of a Participant’s Company Contributions Account to which Company Contributions made on behalf of such Participant pursuant to Section 5 with respect to a particular Fiscal Year are allocated.

“Beneficiary” or **“Beneficiaries”** shall mean the person or persons, including a trustee, personal representative or other fiduciary, last designated in writing by a Participant in accordance with procedures established by the Committee to receive the benefits specified hereunder in the event of the Participant’s death. No beneficiary designation shall become effective until it is filed with the Committee, and no beneficiary designation of someone other than the Participant’s spouse shall be effective unless such designation is consented to by the Participant’s spouse on a form provided by and in accordance with the procedures established by the Committee. If there is no Beneficiary designation in effect, or if there is no surviving designated Beneficiary, then the Participant’s surviving spouse shall be the Beneficiary. If there is no surviving spouse to receive any benefits payable in accordance with the preceding sentence, the duly appointed and currently acting personal representative of the Participant’s estate (which shall include either the Participant’s probate estate or living trust) shall be the Beneficiary. In any case where there is no such personal representative of the Participant’s estate duly appointed and acting in that capacity within 90 days after the Participant’s death (or such extended period as the Committee determines is reasonably necessary to allow such personal representative to be appointed, but not to exceed 180 days after the Participant’s death), then **“Beneficiary”** shall mean the person or persons who can verify by affidavit or court order to the satisfaction of the Committee that they are legally entitled to receive the benefits specified hereunder. In the event any amount is payable under this Plan to a minor, payment shall not be made to the minor, but instead be paid (a) to that person’s living parent(s) to act as custodian, (b) if that person’s parents are then divorced, and one parent is the sole custodial parent, to such custodial parent, or (c) if no

parent of that person is then living, to a custodian selected by the Committee to hold the funds for the minor under the Uniform Transfers or Gifts to Minors Act in effect in the jurisdiction in which the minor resides. If no parent is living and the Committee decides not to select another custodian to hold the funds for the minor, then payment shall be made to the duly appointed and currently acting guardian of the estate for the minor or, if no guardian of the estate for the minor is duly appointed and currently acting within 60 days after the date the amount becomes payable, payment shall be deposited with the court having jurisdiction over the estate of the minor.

“**Board of Directors**” or “**Board**” shall mean the Board of Directors of the Company.

“**Bonus**” shall mean any annual cash incentive compensation payable to a Participant by a Participating Affiliate in addition to the Participant’s Salary.

“**Change in Control Event**” shall mean any of the following:

(a) An acquisition by any Person (excluding one or more Excluded Persons) of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) or a pecuniary interest in (either comprising “**ownership of**”) more than 30% of the Common Stock or voting securities entitled to then vote generally in the election of directors of the Company (“**Voting Stock**”), after giving effect to any new issue in the case of an acquisition from the Company; or

(b) Consummation of a merger, consolidation, or reorganization of the Company or of a sale or other disposition of all or substantially all of the Company’s consolidated assets as an entirety (collectively, a “**Business Combination**”), other than a Business Combination (1) in which all or substantially all of the holders of Voting Stock hold or receive directly or indirectly 70% or more of the voting stock of the entity resulting from the Business Combination (or a parent company), and (2) after which no Person (other than any one or more of the Excluded Persons) owns more than 30% of the voting stock of the resulting entity (or a parent company) who did not own directly or indirectly at least that amount of Voting Stock immediately before the Business Combination, and (3) after which one or more Excluded Persons own an aggregate number of shares of the voting stock at least equal to the aggregate number of shares of voting stock owned by any other Person who is not an Excluded Person (except for any person described in and satisfying the conditions of Rule 13d-1(b) (1) under the Exchange Act), if any, and who owns more than 30% of the voting stock; or

(c) Approval by the Board and (if required by law) by shareholders of the Company of a plan to consummate the dissolution or complete liquidation of the Company; or

(d) During any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new director (other than a director designated by a person who has entered into an agreement or arrangement with the Company to effect a transaction described in clause (a) or (b) of this definition) whose appointment, election, or nomination for election was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose appointment, election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board.

For purposes of determining whether a Change in Control Event has occurred, a transaction includes all transactions in a series of related transactions.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended.

“**Committee**” shall mean the Compensation Committee of the Board, which shall administer this Plan in accordance with Section 9.

“**Company**” shall mean Korn Ferry, a Delaware corporation, and any successor corporation.

“**Company Contributions**” shall mean contributions made by the Company pursuant to Section 5.

“**Company Contributions Account**” shall mean the bookkeeping account maintained by the Committee for each Participant that is credited with Company Contributions and investment gains or losses thereon.

“**Company Matching Contribution**” shall mean a Company Contribution made with respect to a Participant’s deferrals of Salary or Bonus under this Plan.

“**Company Performance Contribution**” shall mean a Company Contribution other than a Company Matching Contribution, which may be made on the basis of performance (whether as measured against pre-established criteria or otherwise), or on any other basis whatever.

“**Compensation**” shall mean the Salary and Bonus that the Participant is entitled to for services rendered to a Participating Affiliate.

“**Deferral Account**” shall mean the bookkeeping account maintained by the Committee for each Participant that is credited with amounts equal to (1) the portion of the Participant’s Salary that he or she elects to defer and invest in the manner described in Section 4, (2) the portion of the Participant’s Bonus that he or she elects to defer and invest in the manner described in Section 4, and (3) investment gains or losses thereon.

“**Detrimental Activity**” with respect to a Participant shall mean that such Participant:

(a) has directly or indirectly engaged in any business for his or her own account that competes with the business of any entity within the Company Group (“**Company Group**” means the Company, the Subsidiaries, and any affiliate of the Company or a Subsidiary) (a business in competition with any entity within the Company Group includes, without limitation, any business in an industry which any business in the Company Group may conduct business from time to time and any business in an industry which any entity within the Company Group has specific plans to enter in the future and as to which the Participant is aware of such planning);

(b) has committed or engaged in an unauthorized disclosure or use of inside information, trade secrets or other confidential information, or an unauthorized use of trade names, trademarks, or other proprietary business designations owned or used in connection with

the business of any entity within the Company Group; has failed to timely return to the Company in accordance with Company policy all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way relating to the business of any entity within the Company Group;

(c) _____ has entered the employ of, renders services to, or has acquired a financial interest in any person engaged in any business that competes with the business of any entity within the Company Group; has acted intentionally in a manner injurious to the reputation, business or assets of, any entity within the Company Group; has interfered with business relationships (whether formed before or after the date hereof) between the Company, any Subsidiary, any of their respective affiliates, and any customers, suppliers, officers, employees, partners, members or investors; has influenced or attempted to influence a vendor or customer of any entity within the Company Group, either directly or indirectly, to divert their business away from the Company Group, induced a principal for whom an entity within the Company Group acts as agent to terminate such agency relationship, or induced an employee of any entity within the Company Group who earned \$25,000 or more on an annualized basis during the last six months of his or her employment to work for any business, individual, partnership, firm, corporation, or other entity then in competition with the business of any entity within the Company Group; or

(d) _____ has agreed to take any action, or has expressed an intention to take any action, if in either case such action would constitute Detrimental Activity under subsection (a), (b) or (c) or this definition when such action is performed.

“Disability” shall mean with respect to a Participant any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, by reason of which impairment the Participant is either unable to engage in any substantial gainful activity or is receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Participant’s employer.

“Effective Date” shall mean January 1, 2004. This Plan was amended and restated in 2008 to include provisions required under Code Section 409A. The provisions required by Section 409A are effective January 1, 2005; provided, however, that certain transition rules that may have affected Participants, Beneficiaries and the Company before 2009 are not necessarily reflected in this document.

“Eligible Employee” shall mean any Officer or any employee of a Participating Affiliate who is in the position category of vice president or above and who customarily performs services for 30 or more hours per week for such Participating Affiliate.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Excluded Person” means

- (a) the Company or any Subsidiary;
- (b) any person described in and satisfying the conditions of Rule 13d-1(b)(1) under the Exchange Act);
- (c) any employee benefit plan of the Company or a Subsidiary;
- (d) any affiliates (within the meaning of the Exchange Act), successors, or heirs, descendants or members of the immediate families of the individuals identified in part (b) of this definition.

“Fiscal Year” shall mean the fiscal year of the Company.

“Investment Fund” shall mean one or more of the investment funds or portfolios selected by the Committee pursuant to Section 6.1.

“Officer” shall mean the Chief Executive Officer, Chief Financial Officer, any Executive Vice President and any Vice President of the Company.

“Participant” shall mean any Eligible Employee who is selected for participation in the Plan.

“Participating Affiliate” shall mean the Company and any Subsidiary, which by resolution of its board of directors and with the approval of the Committee, elects to participate in this Plan. By electing to participate in this Plan, a Participating Affiliate agrees to be bound by any Plan amendment adopted by resolution of the Board of Directors or by the written instrument of any person to whom the Board of Directors has delegated its authority to adopt the amendment. If a Participating Affiliate ceases to be a Subsidiary, except by merger with its parent, the employment of each Eligible Employee of the Participating Affiliate shall be deemed to have terminated for purposes of this Plan, except to any extent any such Eligible Employee is required by law to continue to be treated under the Plan as an employee of the Company.

“Plan” shall mean this Korn Ferry Executive Capital Accumulation Plan set forth herein, now in effect, or as amended from time to time.

“Plan Year” shall mean the Fiscal Year.

“Salary” shall mean all cash salary and similar payments (other than Bonuses) paid to a Participant for services rendered to a Participating Affiliate before reduction on account of: (1) any withholding such as income taxes (but excluding social security and health insurance taxes) or such other withholding as may be required by the jurisdiction of the Participating Affiliate, and (2) any deferrals under this Plan.

“Subsidiary” shall mean (a) each corporation which is (directly or indirectly) 50% or more owned by the Company, and (b) each entity which is partially owned by the Company and is organized under the laws of a nation other than the United States of America.

“**Termination Date**” shall mean the date that the Participant’s has a “separation from service,” as defined in Section 409A of the Code, from the Company and its Subsidiaries for any reason.

“**Termination For Cause**” means a termination of service, based upon a finding by the Company, acting in good faith and based on its reasonable belief at the time, that the Participant:

- (a) is or has been dishonest, incompetent, or negligent in the discharge of his or her duties to the Company; or has refused to perform stated or assigned duties; or
- (b) has committed a theft or embezzlement, or a breach of confidentiality or unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information, or a breach of fiduciary duty involving personal profit, or a willful or negligent violation of any law, rule or regulation or of Company rules or policy, in any material respect; or has been convicted (including a plea of guilty or nolo contendere) of a felony or misdemeanor (other than minor traffic violations or similar offenses); or
- (c) has materially breached any of the provisions of any agreement with the Company or a parent corporation; or
- (d) has engaged in unfair competition with, or otherwise acted intentionally in a manner injurious to the reputation, business or assets of the Company; or has induced a customer to break or terminate any contract with the Company or an affiliate; or has induced any principal for whom the Company (or an affiliate) acts as agent to terminate such agency relationship; or
- (e) has made a misrepresentation or false statement in any application for employment, employment history, resume or other document submitted to the Company (whether before, during or after employment); or
- (f) has engaged in Detrimental Activity prior to a Change in Control Event that results in a termination of service prior to a Change in Control Event. For avoidance of doubt, a Termination for Cause cannot occur on or following a Change in Control Event on the grounds that the Participant has engaged in Detrimental Activity, regardless of when such activity occurred.

A Termination For Cause shall be deemed to occur (subject to reinstatement upon a contrary final determination by the Board or Committee) on the date when the Company first delivers notice to the Participant of a finding of Termination For Cause and shall be final in all respects on the date following the opportunity to be heard and written notice to the Participant that his or her service is terminated.

3. PARTICIPATION

The Committee shall select from the class of Eligible Employees those particular Eligible Employees who will be eligible to defer all or a portion of their Compensation in accordance with Section 4. Notwithstanding anything else contained herein to the contrary, the Committee shall limit the class of persons selected to participate in this Plan to a select group of

management or highly compensated employees, as set forth in Sections 201, 301 and 401 of ERISA. In order to accomplish the foregoing, the Committee may, at any time and in its sole discretion, terminate the ability of an Eligible Employee or a Participant to defer Compensation (or to defer additional Compensation) under Section 4; provided that such a termination shall not affect deferrals pursuant to any deferral election theretofore made under this Plan.

4. ELECTIONS TO DEFER COMPENSATION

4.1 General Rule

. Subject to the minimum deferral provisions in Section 4.2 below, the amount of Compensation a Participant may elect to defer is as follows:

(a) Any percentage of Salary up to 80%; and/or

(b) Any percentage of Bonus up to 100%; provided, however, that no election shall be effective to reduce the Compensation payable to a Participant for a calendar year to an amount which is less than the amount that a Participating Affiliate is required to withhold from such Participant's Compensation for such calendar year for purposes of federal, state and local (if any) income tax, employment tax (including without limitation Federal Insurance Contributions Act (FICA) tax), other tax withholdings and such other withholdings as may be required by the jurisdiction of such Participating Affiliate, and the Participant's contributions to other benefit programs (including but not limited to the 401(k) Plan and any Code Section 125 plan).

4.2 Minimum Deferrals

. The Committee in its discretion may establish minimum deferral amounts with respect to Salary Deferral Elections and Bonus Deferral Elections.

4.3 Initial Salary Deferral Election

. An individual who is a Participant as of the Effective Date may elect to defer his or her Salary (a "**Salary Deferral Election**") by filing an initial election with the Committee, on a form and in a manner prescribed by the Committee, on or before the last business day prior to the Effective Date. Such election shall be effective with respect to Salary paid on or after the first day of the first payroll period commencing on or after the Effective Date. Except as otherwise provided pursuant to Section 4.6, such election shall continue in effect with respect to Salary payable through the end of the calendar year for which the election is made, and except as otherwise provided pursuant to Section 4.6, deferral of Salary for any subsequent calendar year shall require a new Salary Deferral Election pursuant to Section 4.4.

4.4 Subsequent Salary Deferral Elections

. An Eligible Employee selected in accordance with Section 3 may defer (or may again defer) Salary (provided that he or she is then still eligible to participate in this Plan in accordance with Section 3) by filing an election, on a form and in a manner prescribed by the Committee. Such election must be received by the Committee on or before the date designated by the Committee, which shall not be later than the December 31 preceding the year for which such Salary is to be deferred. Such Salary Deferral Election shall be effective with respect to Salary paid on or after the first day of the first payroll period commencing on or after the following January 1. Except as otherwise provided pursuant to Section 4.6, such election shall continue in effect with respect to Salary payable through the

end of the calendar year for which the election is made, and deferral of Salary for any subsequent calendar year shall require a new Salary Deferral Election pursuant to this Section 4.4.

4.5 Bonus Deferral Election

. An individual who is or will be a Participant as of the beginning of any Fiscal Year commencing on or after May 1, 2004, may make a Bonus Deferral Election with respect to his or her Bonus for such Fiscal Year by filing an election with the Committee, on a form and in a manner prescribed by the Committee. Such election must be received by the Committee on or before the date designated by the Committee, which shall not be later than the last business day prior to the beginning of such Fiscal Year; provided, however, that with respect to any portion of such Bonus that is "performance-based compensation" within the meaning of Section 409A of the Code and regulations promulgated thereunder, such election must be received by the Committee no later than the date that is six (6) months before the end of the applicable performance period, provided that in no event may an election to defer such performance-based compensation be made after such compensation has become both substantially certain to be paid and readily ascertainable. Except as otherwise provided pursuant to Section 4.6, any such Bonus Deferral Election shall apply only to the Bonus payable with respect to the Fiscal Year for which the election is made, and deferral of Bonus for any subsequent Fiscal Year shall require a new Bonus Deferral Election pursuant to this Section 4.5.

4.6 Duration of Salary and Bonus Deferral Elections

. Unless otherwise determined by the Committee and announced in writing to the Participants, any Salary Deferral Election or Bonus Deferral Election shall remain in force only through the applicable periods set forth in Sections 4.3, 4.4 and 4.5. However, at its discretion, the Committee may provide for "evergreen" elections, as described in this Section 4.6. Any such determination to provide evergreen elections shall be announced in writing to Participants. If the Committee provides for evergreen elections as set forth in this Section 4.6, then notwithstanding Sections 4.3, 4.4 and 4.5, any Salary Deferral Election or Bonus Deferral Election made under this Section 4 shall remain in effect, notwithstanding any change in the Participant's Salary or Bonus, as applicable, until changed or terminated in accordance with the terms of this Section 4.6. Subject to the limitations of Section 4.1 and the minimum deferral requirements of Section 4.2, a Participant may increase, decrease or terminate his or her Salary Deferral Election, effective with respect to Salary paid on or after the first day of the first payroll period commencing on or after January 1, by filing a new election, in accordance with the terms of this Section 4 and on a form and in a manner prescribed by the Committee. Such election must be received by the Committee on or before the date designated by the Committee, which shall not be later than the December 31 preceding the year for which such Salary is to be deferred. Subject to the limitations of Section 4.1 and the minimum deferral requirements of Section 4.2, a Participant may increase, decrease or terminate his or her Bonus Deferral Election, effective for any Bonus paid with respect to a Fiscal Year, by filing a new election, in accordance with the terms of this Section 4 and on a form and in a manner prescribed by the Committee. Such election must be received by the Committee on or before the date designated by the Committee, which shall not be later than the last business day prior to the beginning of such Fiscal Year.

4.7 Newly Eligible Employees

(a) An employee of the Company or a Participating Affiliate who becomes an Eligible Employee at any time after April 1, 2004 and who is selected to participate in this Plan

in accordance with Section 3 may elect, on a form and in a manner prescribed by the Committee and no later than thirty (30) days after the date such employee became an Eligible Employee, to make (a) a Salary Deferral Election, which shall be effective with respect to Salary for services rendered on or after the first day of the first payroll period commencing after such election is received by the Committee, and/or (b) a Bonus Deferral Election, which shall be effective with respect to a prorated portion of any Bonus earned for services rendered during the Plan Year in which such election is made, the maximum amount of such prorated portion to be determined by the Company and which shall not exceed the amount determined by multiplying (i) the total Bonus earned for such Plan Year, by (ii) a fraction, the numerator of which shall be the number of whole months remaining in the Plan Year after the date the election is filed with the Committee, and the denominator of which shall be 12; provided, however, that the entire amount of such Bonus may be deferred (subject to Section 4.1) if such Bonus is “performance-based compensation” within the meaning of Section 409A of the Code and regulations promulgated thereunder and such Bonus Deferral Election otherwise satisfies the applicable requirements set forth in Section 4.5.

(b) Except as otherwise provided in Section 4.6, any Salary Deferral Election filed pursuant to this Section 4.7 shall continue in effect with respect to Salary payable through the end of the calendar year for which the election is made, and except as otherwise provided pursuant to Section 4.6, deferral of Salary for any subsequent calendar year shall require a new Salary Deferral Election pursuant to Section 4.4. Except as otherwise provided pursuant to Section 4.6, any Bonus Deferral Election filed pursuant to this Section 4.7 shall apply only to the Bonus payable with respect to the Fiscal Year for which the election is made, and except as otherwise provided pursuant to Section 4.6, deferral of Bonus for any subsequent Fiscal Year shall require a new Bonus Deferral Election pursuant to Section 4.5.

5. COMPANY CONTRIBUTIONS

5.1 Company Contributions

. At the conclusion of each Fiscal Year, the Committee may determine, in its sole and complete discretion, to credit additional amounts to one or more Participants’ Company Contributions Accounts under this Plan. Any amounts credited under this Section 5.1 need not be made to all Participants’ Accounts, and such additional amounts as are credited, if any, need not be credited in equal amounts or percentages. The Committee shall have sole and complete discretion in determining the basis for the crediting of additional amounts under this Section 5.1, including, without limitation, the authority to award such amounts on an individual or group basis and/or as a Company Matching Contribution or a Company Performance Contribution. Any amount credited pursuant to this Section 5.1 with respect to a Fiscal Year shall be credited to the Participant’s Company Contributions Account as of the date or dates determined by the Committee. Nothing contained in this Section 5.1 shall be deemed to impose or constitute any obligation on the Committee, the Company or any Subsidiary to make any credit hereunder.

Notwithstanding the foregoing provisions, in connection with an express written agreement between the Company and a Participant, the Committee may credit such Participant’s Company Contributions Account with the amount of a contribution made by the Company pursuant to this Section 5.1 as of any date selected by the Company. For all purposes under this

Plan, any such contribution shall be deemed to relate to the Fiscal Year in which the date selected by the Company occurs.

5.2 Annual Company Contribution Subaccounts

. Company Contributions made to a Participant's Account pursuant to Section 5.1 with respect to a Fiscal Year shall be allocated to a separate Annual Company Contribution Subaccount. Such subaccounts shall be maintained for purposes of determining the Participant's vested interest in such contributions as provided under Section 7.

5.3 Forfeiture; Detrimental Activity

. A Participant's rights with respect to any Company Contribution and any investment return credited thereto, whether vested or unvested, shall terminate, become null and void, and be immediately forfeited if (i) the Participant's employment ends as a result of a Termination for Cause, or (ii) the Participant engages in any Detrimental Activity, whether before or within the one-year period after his or her employment or services with the Company (or a Subsidiary) terminates, but only in the event Participant engages in such Detrimental Activity prior to a Change in Control Event. In the event that the Committee determines prior to a Change in Control Event that a Participant has engaged in Detrimental Activity at any time during his or her employment by the Company or a Subsidiary or within the one-year period following his or her Termination Date, but in all events prior to a Change in Control Event, any amounts distributed at any time to such Participant with respect to any Company Contribution (and any investment return credited thereto) shall be immediately refunded to the Company (or Subsidiary) by the Participant or the Participant's Beneficiary. Determinations of whether (i) a Participant's employment has ended as a result of a Termination for Cause, and (ii) a Participant has engaged in Detrimental Activity shall be made by the Committee in its sole discretion. For the avoidance of doubt, a Participant's rights with respect to any Company Contribution and any investment return credited thereto, whether vested or unvested, may not terminate, become null or void, or be subject to forfeiture or refund on or following a Change in Control Event due to Participant having engaged in Detrimental Activity, even if such Detrimental Activity occurred prior to the Change in Control Event.

6. INVESTMENT OF ACCOUNTS

6.1 Investment Funds

. Effective as of the date established by the Committee, separate Investment Funds shall be established under this Plan. The Committee may, in its discretion, terminate any Investment Fund. The Committee shall determine the number of Investment Funds, and the Committee or its delegate shall determine the investments to be made under the Investment Funds.

6.2 Investment Elections

. Pursuant to rules established by the Committee, each Participant shall have the right and obligation to designate in which of the Investment Funds his or her Accounts will be deemed to be invested for purposes of determining the investment gain (or loss) to be credited to his or her Accounts. A Participant may change the designation made under this Section 6.2 and/or transfer an amount deemed to be invested in one Investment Fund to another Investment Fund (subject to such rules as the Committee may adopt) on any business day pursuant to procedures established by the Committee. The Committee may restrict the frequency by which Participants are permitted to make changes to their designations of Investment Funds and may establish rules regarding the timing and effectiveness of such

elections. If a Participant does not make an election with respect to the investment of his or her Account, the Participant shall be deemed to have elected the short term interest fund or the fund closest thereto. The Committee may establish other rules, regulations and procedures regarding the Investment Funds as it deems appropriate in its sole discretion.

7. VESTING.

7.1 Deferral Account

. A Participant's Deferral Account shall be 100% vested and nonforfeitable at all times.

7.2 Company Contributions Account

. The interest of each Participant in amounts credited to his or her Company Contributions Account shall vest and become nonforfeitable as follows:

(a) If a Participant's employment with the Company and all Subsidiaries terminates due to the Participant's death or Disability, such Participant shall become 100% vested in all amounts in his or her Company Contributions Account as of the date of such termination.

(b) Except as otherwise provided in this Section 7.2, for Company Contributions approved on or after July 1, 2019, a Participant shall become vested in each Annual Company Contribution Subaccount in accordance with the schedule determined by the Committee; it is expected that such schedule shall provide:

- 20% as of approximately one month following the first anniversary of the date on which the Committee approves the applicable Company Contribution;
- 40% as of approximately the second anniversary of the date on which the Committee approves the applicable Company Contribution;
- 60% as of approximately the third anniversary of the date on which the Committee approves the applicable Company Contribution;
- 80% as of approximately the fourth anniversary of the date on which the Committee approves the applicable Company Contribution; and
- 100% as of approximately the fifth anniversary of the date on which the Committee approves the applicable Company Contribution.

For Company Contributions approved prior to January 1, 2019, a Participant shall become vested in each Annual Company Contribution Subaccount in accordance with the schedule determined by the Company or the Committee, as the case may be, upon approval of such contribution.

(c) If a Participant retires with a Termination Date on or after attaining age 65, the Company may, in its discretion, enter into an agreement under which such Participant may continue to vest in any portion of the Participant's Annual Company Contribution

Subaccount(s) that was not vested as of such Termination Date. Such continued vesting shall be conditioned on Participant's not engaging in Detrimental Activity, *provided* that no such condition shall apply after the occurrence of a Change in Control Event. Notwithstanding the foregoing, such vesting following a Termination Date shall not apply to any Participant with a Termination Date before January 1, 2009, and shall not apply to the extent a vesting schedule under Section 7.2(e) provides that such vesting shall not apply. Any amount that becomes vested under this Section 7.2(c) following a Participant's Termination Date (i) shall be distributed as soon as administratively feasible following vesting if the Participant had elected the lump sum distribution option, or (ii) shall be added on a pro-rata basis to each remaining installment payment if the Participant had elected installment payments. If a Participant referred to in this Section 7.2(c) engages in Detrimental Activity at any time prior to a Change in Control Event, any unpaid portion of the Participant's Annual Company Contribution Subaccount(s) that had not been paid as of the first instance of engaging in such Detrimental Activity shall be forfeited, regardless of whether such portion had previously become vested, *provided* that no such forfeiture may occur on or following a Change in Control Event even if a Participant engaged in Detrimental Activity prior to the Change in Control Event.

(d) The Board or the Committee may, in its sole discretion, accelerate vesting for a Participant who terminates employment for reasons other than death or Disability prior to attaining age 65.

(e) The Board or the Committee may, in its sole discretion, for any Participant or group of Participants, establish a vesting schedule different from that set forth in Section 7.2(b) above with respect to any Company Contributions; provided, however, that any such alternative vesting schedule shall be set forth in writing.

(f) If a Participant's employment with the Company and all Subsidiaries is terminated on or following a Change in Control Event either by (i) the Company for any reason (other than due to a Termination for Cause) or (ii) the Participant upon his or her retirement on or after attaining age 65, then such Participant shall become 100% vested in all amounts in his or her Company Contributions Account as of the date of such termination.

Unless otherwise expressly provided in this Section 7.2, the Participant shall forfeit any amounts credited to his or her Company Contributions Account upon the termination of his or her employment with the Company and all Subsidiaries to the extent that such amounts have not vested as of the date of such termination of employment.

8. DISTRIBUTION OF BENEFITS

8.1 Commencement of Distributions

. At the time of making a Salary and/or Bonus Deferral Election pursuant to Section 4, the Participant shall designate, on a form and in a manner prescribed by the Committee, the time at which the Salary and/or Bonus deferred by the Participant with respect to such deferrals (adjusted for earnings and losses thereon) shall be paid. Any Company Matching Contribution made with respect to such deferrals shall be paid at the same time and in the same form as such deferrals are paid in accordance with this Section 8; provided, however, that any portion of such Company Matching Contribution that has not vested

as of the date such deferrals are paid shall be paid on or as soon as practicable after the date (if any) such portion becomes vested pursuant to Section 7.2.

With respect to deferrals of Salary, the Participant may choose either one of the following payment dates (or, if installments are elected, payment commencement dates):

(a) On or as soon as administratively practicable after the Participant's Termination Date, or

(b) On or as soon as administratively practicable after the earlier of (i) the Participant's Termination Date or (ii) the date selected by the Participant which is at least three (3) years following the end of the calendar year during which the Salary was earned (an "**in-service distribution date**").

With respect to deferrals of Bonuses, the Participant may choose either one of the following payment dates (or, if installments are elected, payment commencement dates):

(c) On or as soon as administratively practicable after the Participant's Termination Date, or

(d) On or as soon as administratively practicable after the earlier of (i) the Participant's Termination Date or (ii) the date selected by the Participant which is at least three (3) years following the end of the Fiscal Year with respect to which the Bonus was awarded (an "**in-service distribution date**").

If the Participant does not make such an election, the Participant shall be deemed to have elected payment as described in Sections 8.1(a) and (c). A Participant may make only one payment election for all Compensation deferred pursuant to any Salary or Bonus Deferral Election.

A Participant may elect as many different in-service distribution dates as desired for his or her Salary and Bonus deferrals under the Plan. A Participant who elects one or more in-service distribution dates may elect the same in-service distribution date or dates for subsequent Salary and Bonus deferrals. If the in-service distribution date selected by a Participant with respect to any Compensation deferred does not satisfy the requirements of subsections (b)(ii) or (d)(ii) above, then the Participant will be deemed to have elected the next in-service distribution date that satisfies such requirements. The Committee, in its discretion, may limit the available in-service distribution dates to a specific date or specific dates (such as the first day of a month or quarter); such discretion may be exercised (among other means) by limiting the available in-service distribution dates on the election forms to be used by Participants.

A Participant may change his or her in-service distribution date elected under Section 8.1(b)(ii) or 8.1(d)(ii) to a later date (but not an earlier date); provided (1) that such a change election must be filed with the Committee at least one year prior to the original in-service distribution date, (2) that such a change election will not be effective until at least one year after the date on which the election is made, (3) that, except in the case of elections related to distributions on account of death, Disability or Unforeseeable Emergency, such a change election shall defer the payment date (or payment commencement date) to a date that is not less than five

years from the date such payment would otherwise have been made (or commenced), and (4) that such a change election must be made on a form and in a manner prescribed by the Committee.

Notwithstanding any other provision of this Plan, a Participant who is a “specified employee” (as such term is defined in Section 409A(a)(2)(B)(i) of the Code) shall not receive any distribution made pursuant to a termination of such Participant’s employment or services with the Company and its Subsidiaries before the date that is six months after such Participant’s Termination Date (or, if earlier, the date of the Participant’s death).

8.2 Form of Distributions

. At the time of making a Salary and/or Bonus Deferral Election pursuant to Section 4, each Participant shall designate, on a form and in a manner prescribed by the Committee, the manner in which such benefits shall be paid.

The Participant may elect one of the following payment forms:

- (a) A lump sum payment; or
- (b) Substantially equal quarterly installments over a period of one to fifteen years, as specified in the Participant’s election.

If the Participant fails to specify a payment form as provided in this Section 8.2, unless the Committee otherwise provides, the Participant shall be deemed to have elected payment (i) in substantially equal quarterly installments over five years (for amounts deferred prior to 2016), and (ii) a lump sum payment (for amounts deferred after 2015). The initial installment of any series of installments shall be made as soon as administratively practicable following the payment commencement date determined under Section 8.1. The Committee, in its discretion, may limit the available quarterly distribution dates to a specific date or specific dates (such as the first day of a month or quarter); such discretion may be exercised (among other means) by limiting the available quarterly distribution dates on the election forms to be used by Participants.

Subject to the following provisions in this paragraph and Section 8.3, no changes may be made to a payment election under this Section 8.2 after such election is filed. A Participant may change his or her form of payment election (for example, from a lump sum to installments), provided (1) that such a change election must be filed with the Committee at least one year prior to the date distributions would commence (i.e. the Participant’s Termination Date or in-service distribution date, as applicable), (2) that such a change election will not be effective until at least one year after the date on which the election is made, (3) that, except in the case of elections related to distributions on account of death, Disability or Unforeseeable Emergency, such a change election shall include a deferral of the payment date (or payment commencement date) to a date that is not less than five years from the date such payment would otherwise have been made (or commenced), and (4) that such a change election must be made on a form and in a manner prescribed by the Committee.

8.3 Company Performance Contributions

. No later than (i) thirty (30) days after the crediting of a Company Performance Contribution to a Participant’s Account pursuant to Section 5 is approved by the Committee and (ii) twelve (12) months prior to the date that any portion of such Company Performance Contribution becomes vested, the Participant shall designate, on a

form and in a manner prescribed by the Committee, the time or times at which such Company Contributions and any related earnings thereon will be paid and the form of any such payment. Such election shall be made in accordance with and subject to the requirements set forth in Sections 8.1 and 8.2. For Company Performance Contributions approved before January 1, 2014, if the Participant elects an in-service distribution date, such date shall be the first business day selected by the Participant which occurs after the date such Company Performance Contribution becomes fully vested pursuant to Section 7.2. For Company Performance Contributions approved on or after January 1, 2014, the Participant may elect separate in-service distribution dates for each installment of such Company Performance Contribution as such installment becomes vested; each such date shall be the first business day selected by the Participant which occurs after the date such installment becomes vested. If a Participant is credited with a Company Performance Contribution and does not timely make a distribution election under this Section 8.3, the Participant shall be deemed to have elected payment in a lump sum commencing on the first business day of a fiscal quarter as soon as administratively practicable following the Participant's Termination Date.

8.4 Withdrawals for Unforeseeable Emergencies

. A Participant (or former Participant) may request a distribution from his or her Deferral Account for an Unforeseeable Emergency (as defined below) without penalty. Such distribution for an Unforeseeable Emergency shall be subject to approval by the Committee and may be made only to the extent necessary to satisfy the emergency need (which may include amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution) and only from amounts credited to the Participant's Deferral Account. A distribution for an Unforeseeable Emergency may not be made to the extent that such emergency is or may be relieved (1) through reimbursement or compensation by insurance or otherwise, (2) by liquidation of the Participant's (or Beneficiary's) assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or (3) by cessation of deferrals under this Plan. The Committee may require that the Participant (or Beneficiary) provide a written representation that any such distribution satisfies the requirements set forth in this Section 8.4. Notwithstanding the foregoing, a Participant may receive a distribution for an Unforeseeable Emergency under this Plan prior to a hardship withdrawal under any plan described in Section 401(k) of the Code.

For purposes of this Section 8.4, an "**Unforeseeable Emergency**" shall mean a severe financial hardship of the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent (as defined in Section 152(a) of the Code), loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. (For purposes of this definition, the term "**Participant**" shall include the Participant's Beneficiary in the event of the Participant's death.) The circumstances that will constitute an Unforeseeable Emergency will depend upon the facts of each case. The purchase of a home and the payment of college tuition would typically not be considered to be Unforeseeable Emergencies.

8.5 Section 162(m)

. Notwithstanding anything in this Section 8 to the contrary, if the Committee determines in good faith that there is a reasonable likelihood that any benefits paid to a Participant for a taxable year of the Company would not be deductible by the Company solely

by reason of the limitation under Section 162(m) of the Code, then, to the extent reasonably deemed necessary by the Committee to ensure that the entire amount of any distribution to the Participant pursuant to this Plan is deductible, the Committee may defer all or any portion of a distribution under this Plan. The amounts so deferred shall be distributed to the Participant or his or her Beneficiary (in the event of the Participant's death) at the earliest possible date, as determined by the Committee in good faith, on which the deductibility of compensation paid or payable to the Participant for the taxable year of the Company during which the distribution is made will not be limited by Section 162(m) of the Code.

8.6 Inability to Locate Participant

. In the event that the Committee is unable to locate a Participant or Beneficiary within two years following the Participant's Termination Date, or if later, within two years following the date on which benefits hereunder are to commence, the amount allocated to the Participant's Accounts shall be forfeited. If, within the six-year period following the date of such forfeiture, the Participant or Beneficiary later claims such benefits, such benefits shall be reinstated without interest. Benefits forfeited pursuant to this Section 8.6 shall not be reinstated under any circumstances if the Committee does not receive a claim to such benefits within the six-year period following the date of forfeiture.

8.7 Distributions on Death

. In the event of a termination of the Participant's employment or services with the Company and its Affiliates due to the Participant's death, the Participant's Account shall be paid to the Participant's Beneficiary in a lump sum during the calendar quarter following the quarter in which the Committee receives notice satisfactory to it of the Participant's death. In the event that a Participant or former Participant dies after his or her Termination Date and before his or her entire Account balance has been paid out, the balance of the Participant's Account shall be paid to the Participant's Beneficiary, in the form of a lump sum payment, as soon as administratively practicable.

8.8 Liability for Payment

. Notwithstanding anything else in this Plan to the contrary: (1) a Participant's benefits with respect to this Plan shall be paid by the Participating Affiliate to whose employment of the Participant such benefits relate, and (2) a Participant shall have no right or claim to Plan benefits from any other Participating Affiliate other than the employer referenced in the foregoing clause.

8.9 Legislation or Regulations

. Any provision of this Section 8 with respect to distributions to a Participant shall become null and void in the event that any legislation or regulations applicable to benefits under this Plan is adopted that would require such Participant to be immediately subject to federal income tax for amounts of Compensation deferred under Section 4.1 above. The remaining provisions of this Plan shall continue in effect.

9. PLAN ADMINISTRATION

9.1 Committee

. The Committee shall be appointed as set forth in the Company's governing documents.

9.2 Committee Action

. The Committee shall act at meetings by affirmative vote of a majority of the members of the Committee. Any action permitted to be taken at a meeting may be taken without a meeting if, prior to such action, a written consent to the action is signed by a

majority of the members of the Committee and such written consent is filed with the minutes of the proceedings of the Committee. A member of the Committee shall not vote or act upon any matter which relates solely to himself or herself as an Participant. The Chairman or any other member or members of the Committee designated by the Chairman may execute any certificate or other written direction on behalf of the Committee.

9.3 Powers and Duties of the Committee

. The Committee, on behalf of the Participants and their Beneficiaries, shall enforce this Plan in accordance with its terms, shall be charged with the general administration of this Plan, and shall have all powers necessary to accomplish its purposes, including, but not by way of limitation, the following:

- (a) To construe and interpret the terms and provisions of this Plan and to make factual determinations hereunder;
- (b) To compute and certify the amount and kind of benefits payable to Participants and their Beneficiaries, and to determine the time and manner in which such benefits are paid;
- (c) To maintain all records that may be necessary for the administration of this Plan;
- (d) To provide for the disclosure of all information and the filing or provision of all reports and statements to Participants, Beneficiaries or governmental agencies as shall be required by law;
- (e) To make and publish such rules for the regulation of this Plan and procedures for the administration of this Plan as are not inconsistent with the terms hereof;
- (f) To appoint a plan administrator or any other agent, and to delegate to them such powers and duties in connection with the administration of this Plan as the Committee may from time to time prescribe (including but not limited to the power to approve the designation of Subsidiaries as Participating Affiliates under this Plan); and
- (g) To require or permit Participant (or Beneficiary, as the context may require) elections and/or consents under this Plan to be made by means of such electronic media as the Committee may prescribe.

9.4 Construction and Interpretation

. Prior to a Change in Control Event, the Committee shall have full discretion to construe and interpret the terms and provisions of this Plan, which interpretation or construction shall be final and binding on all parties, including but not limited to the Company and any Participant or Beneficiary. Any interpretation, construction or determination made after a Change in Control Event shall be subject to review by an arbitrator on a *de novo* basis in accordance with Section 10.11 below. The Committee shall administer the terms and provisions of this Plan in a uniform and nondiscriminatory manner and in full accordance with any and all laws applicable to this Plan.

9.5 Compensation, Expenses and Indemnity

. The members of the Committee shall serve without compensation for their services hereunder. Expenses and fees in connection with

the administration of this Plan shall be paid by the Company. The Committee is authorized at the expense of the Company to employ such legal counsel as it may deem advisable to assist in the performance of its duties hereunder. To the extent permitted by applicable state law, the Company shall indemnify and save harmless the Committee and each member thereof, the Board of Directors and any delegate of the Committee who is an employee of a Participating Affiliate against any and all expenses, liabilities and claims, including legal fees to defend against such liabilities and claims arising out of their discharge in good faith of responsibilities under or incident to this Plan, other than expenses and liabilities arising out of willful misconduct. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by the Participating Affiliate or provided by the Participating Affiliate under any bylaw, agreement or otherwise, as such indemnities are permitted under state law.

9.6 Quarterly Statements

. Under procedures established by the Committee, a Participant shall receive a statement with respect to such Participant's Accounts on a quarterly basis as of each January 31, April 30, July 31 and October 31.

10. MISCELLANEOUS

10.1 Unsecured General Creditor

. Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, claims, or interest in any specific property or assets of any Participating Affiliate. No assets of any Participating Affiliate shall be held under any trust or held in any way as collateral security for the fulfilling of the obligations of any Participating Affiliate. Any and all of each Participating Affiliate's assets shall be, and remain, the general unpledged, unrestricted assets of the Participating Affiliate. Each Participating Affiliate's obligations under this Plan shall be merely that of an unfunded and unsecured promise of the Participating Affiliate to pay money in the future to those persons to whom the Participating Affiliate has a benefit obligation under this Plan (as determined in accordance with the terms hereof including, without limitation, Section 8.8), and the respective rights of the Participants and Beneficiaries shall be no greater than those of unsecured general creditors.

10.2 Restriction Against Assignment

. The respective Participating Affiliate shall pay all amounts payable hereunder only to the person or persons designated by the Plan and not to any other person or corporation. No part of a Participant's Accounts shall be liable for the debts, contracts, or engagements of any Participant, his or her Beneficiary, or successors in interest, nor shall a Participant's Accounts be subject to execution by levy, attachment, or garnishment or by any other legal or equitable proceeding, nor shall any such person have any right to alienate, anticipate, commute, pledge, encumber, or assign any benefits or payments hereunder in any manner whatsoever. If any Participant, Beneficiary or successor in interest is adjudicated bankrupt or purports to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any distribution or payment from the Plan, voluntarily or involuntarily, the Committee, in its discretion, may cancel such distribution or payment (or any part thereof) to or for the benefit of such Participant, Beneficiary or successor in interest in such manner as the Committee shall direct.

10.3 Tax Withholding

. The Company (or the Subsidiary by which the Participant is employed) may satisfy any state or federal employment tax withholding obligation, or such other

withholding obligation as required by the Company's (or Subsidiary's) jurisdiction, with respect to Compensation deferred under this Plan by deducting such amounts from any compensation payable by the Company (or a Subsidiary) to the Participant. There shall be deducted from each payment or distribution made under this Plan, or any other compensation payable to the Participant (or Beneficiary), all taxes which are required to be withheld by the Company (or a Subsidiary) in respect to such payment or distribution or this Plan. If the Company, for any reason, elects not to (or cannot) satisfy the withholding obligation from the amounts otherwise payable under this Plan, the Participant shall pay or provide for payment in cash of the amount of any taxes which the Company (or a Subsidiary) may be required to withhold with respect to the benefits hereunder.

10.4 Amendment, Modification, Suspension or Termination

. The Board or the Committee may amend, modify, suspend or terminate this Plan in whole or in part, except that no amendment, modification, suspension or termination shall have any retroactive effect to reduce any amounts allocated to a Participant's Accounts or accelerate or defer the timing of any distributions under this Plan as provided in Section 8. A Participating Affiliate may elect to terminate its status as such at any time and, in such event, such termination shall not affect the Participating Affiliate's obligations under this Plan with respect to amounts previously credited and/or deferred under this Plan (including earnings thereon) for which the Participating Affiliate is liable. Notwithstanding the foregoing, this Plan may not be amended, modified, suspended or terminated in any manner that would adversely affect the rights of a Participant hereunder without such Participant's consent following a Change in Control Event.

10.5 Governing Law; Severability

. This Plan shall be construed, governed and administered in accordance with the laws of the State of Delaware. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective. To the extent that the Plan is subject to Section 409A of the Code, the Plan shall be construed and interpreted to the maximum extent reasonably possible to avoid the imputation of any tax, penalty or interest pursuant to Section 409A. The Company reserves the right to amend the Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of deferrals made under the Plan in light of Section 409A and any regulations or other guidance promulgated thereunder. However, in no event whatsoever will the Company or any Subsidiary be liable for any additional tax, interest or penalties that may be imposed on a Participant under Code Section 409A or any damages for failing to comply with Code Section 409A.

10.6 Receipt or Release

. Any payment to a Participant or the Participant's Beneficiary in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Committee, the Company and the Subsidiaries. The Committee may require such Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect.

10.7 Payment on Behalf of Persons Under Incapacity

. In the event that any amount becomes payable under the Plan to a person who, in the sole judgment of the Committee, is considered by reason of physical or mental condition to be unable to give a valid receipt therefore, the Committee may direct that such payment be made to any person found by the Committee, in its sole judgment, to have assumed the care of such person. Any payment made

pursuant to such determination shall constitute a full release and discharge of the Committee, the Company and the Subsidiaries.

10.8 No Right to Employment

. Participation in this Plan shall not give any person the right to continued employment or service or any rights or interests other than as expressly provided herein. No Participant shall have any right to any payment or benefit hereunder except to the extent provided in this Plan.

10.9 Titles and Headings

. Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

10.10 Claims Procedure

. A person who believes that he or she is being denied a benefit to which he or she is entitled under this Plan (hereinafter referred to as “**Claimant**”) may file a written request for such benefit with the Committee, setting forth his or her claim. The request must be addressed to the Committee at the Company’s then principal executive offices.

Upon receipt of a claim, the Committee shall advise the Claimant that a reply will be forthcoming within ninety (90) days and shall, in fact, deliver such reply within such period. The Committee may, however, extend the reply period for an additional ninety (90) days for special circumstances. If the claim is denied in whole or in part, the Committee shall inform the Claimant in writing, using language calculated to be understood by the Claimant, setting forth: (i) the specified reason or reasons for such denial, (ii) the specific reference to pertinent provisions of this Plan on which such denial is based, (iii) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation why such material or such information is necessary, (iv) appropriate information as to the steps to be taken if the Claimant wishes to submit the claim for review, and (v) the time limits for requesting a review set forth below.

Within sixty (60) days after the receipt by the Claimant of the written reply described above, the Claimant may request in writing that the Committee review its determination. Such request must be addressed to the Committee at the Company’s then principal executive offices. The Claimant or his or her duly authorized representative may, but need not, review the pertinent documents and submit issues and comments in writing for consideration by the Committee. If the Claimant does not request a review within such sixty (60) day period, he or she shall be barred and estopped from challenging the Committee’s determination.

Within sixty (60) days after the Committee’s receipt of a request for review, after considering all materials presented by the Claimant, the Committee will inform the Claimant in writing, in manner calculated to be understood by the Claimant, of its decision setting forth the specific reasons for the decision and containing specific references to the pertinent provisions of this Plan on which the decision is based. If special circumstances require that the sixty (60) day time period be extended, the Committee will so notify the Claimant and will render the decision as soon as possible, but no later than one hundred twenty (120) days after receipt of the request for review.

10.11 Arbitration

. Any dispute regarding the Plan shall be submitted to mandatory, binding arbitration in Los Angeles, California before a single arbitrator provided by JAMS. A Claimant must exhaust the claims procedure set forth in Section 10.10 as a condition of commencing arbitration. If a civil action concerning the Plan has been brought, the Company and the Claimant shall take such actions as are necessary or appropriate, including dismissal of the civil action, so that the arbitration can be timely heard. Once arbitration is commenced, it may not be discontinued without the unanimous consent of all parties to the arbitration.

Any claim for arbitration may be submitted as follows: if the Claimant disagrees with an interpretation of this Plan by the Company or any fiduciary of this Plan, or disagrees with the calculation of his or her benefit under this Plan, the Claimant may, after exhaustion of the claims procedure set forth in Section 10.10, demand in writing that such claim be submitted to arbitration as provided in this Section 10.11. The arbitrator must be either (i) a lawyer with at least ten (10) years of active practice in the area of employee benefits/executive compensation or (ii) a retired California Superior Court or Appellate Court judge. If the Claimant and the Company do not agree on an arbitrator, JAMS shall send the Claimant and the Company a list of at least five (5) arbitrator candidates. JAMS shall also provide each party with a brief description of the background and experience of each arbitrator candidate. JAMS may replace any or all names on the list of arbitrator candidates for reasonable cause at any time before the parties have submitted their choice pursuant to the next sentence. Within seven (7) calendar days of service upon the parties of the list of names, the Company and the Claimant each may strike two (2) names, and shall rank the remaining arbitrator candidates in order of preference. The remaining arbitrator candidate with the highest composite ranking shall be appointed the arbitrator. JAMS may grant a reasonable extension of the time to strike and rank the arbitrator candidates to any party without the consent of the other parties. If this process does not yield an arbitrator, JAMS shall designate the arbitrator. If a party fails to respond to a list of Arbitrator candidates within seven (7) calendar days after its service, or fails to respond according to the instructions provided by JAMS, JAMS shall deem that party to have accepted all of the Arbitrator candidates.

Except as provided in this Section 10.11, the arbitration shall be administered pursuant to the JAMS Employment Arbitration Rules and Procedures (or the successor to such rules and procedures) as then in effect. The arbitration hearing shall be held within thirty days (or as soon thereafter as feasible) after the selection of the arbitrator. Absence from or non-participation at the hearing by any party shall not prevent the issuance of an award. Hearing procedures intended by the arbitrator to expedite the hearing may be ordered at the arbitrator's discretion, and the arbitrator may close the hearing in his or her sole discretion when he or she decides he or she has heard sufficient evidence to justify issuance of an award. The arbitrator shall apply the same standard of review referred to in Section 9.4 as would be applied by a court of proper jurisdiction. Accordingly, with respect to any interpretation, construction or determination by the Committee prior to a Change in Control Event, (i) the arbitrator shall not apply a de novo standard of review in reviewing the decision rendered through the claims procedure set forth in Section 10.10, but rather shall review the Committee's interpretation, construction or determination under an abuse of discretion standard, and (ii) the arbitrator's decision shall be based on the record presented in the claims procedure set forth in Section 10.10, and additional evidence shall be limited to that evidence (if any) that the arbitrator determines could appropriately be considered by a court of proper jurisdiction in applying the abuse of discretion

standard. With respect to any interpretation, construction or determination by the Committee upon and after a Change in Control Event, the arbitrator shall apply a de novo standard of review.

The arbitrator's award shall be rendered as expeditiously as feasible. In the event the arbitrator finds that the Claimant is entitled to the benefits he or she claimed, the arbitrator shall order the Company to pay or deliver such benefits, in the amounts and at such time as the arbitrator determines. The award of the arbitrator shall be final and binding on the parties. The award may be enforced in any appropriate court as soon as possible after its rendition. If any action is brought to confirm the award, no appeal shall be taken by any party from any decision rendered in such action.

If a Change in Control Event has occurred and the arbitrator determines that the Claimant is entitled to the claimed benefits, the arbitrator shall direct the Company to pay to the Claimant, and the Company shall pay to the Claimant in accordance with such order, an amount equal to the Claimant's expenses in pursuing the claim, including attorneys' fees.

IN WITNESS WHEREOF, the Company has caused this amended and restated document to be executed by its duly authorized officer effective as of July 1, 2021.

KORN FERRY

By: _____
Print
Name: _____
Its: _____

**KORN FERRY
LONG TERM PERFORMANCE UNIT PLAN**

(as amended and restated effective July 1, 2021)

1. PURPOSE OF PLAN

The purpose of this 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. Only Eligible Employees (as defined herein) are eligible to participate in this Plan.

2. DEFINITIONS

Whenever the following words and phrases are used in this Plan, with the first letter capitalized, they shall have the meanings specified below.

“**Annual Benefit**” with respect to any Unit Award shall mean (x) for a Unit Award made prior to June 1, 2020, \$25,000, (y) for a Unit Award made on or after June 1, 2020 and prior to July 1, 2021, \$10,000, or (z) for a Unit Award made on or after July 1, 2021, \$12, 500 (or in the case of any of (x), (y) or (z), the lesser amount determined under Section 4.1.2 for a Participant who elects that the Annual Benefit be paid over a longer period than five years). However, if expressly provided in a Unit Award Agreement, the Annual Benefit shall be subject to the positive or negative adjustment, if any, as set forth in Section 6.2.

“**Annual Benefit Commencement Date**” shall mean the date determined under Section 4.1.

“**Beneficiary**” or “**Beneficiaries**” shall mean the person or persons, including a trustee, personal representative or other fiduciary, last designated in writing by a Participant, in accordance with procedures established by the Committee, to receive the benefits specified hereunder in the event of the Participant’s death. No beneficiary designation shall become effective until it is filed with the Committee, and no beneficiary designation of someone other than the Participant’s spouse shall be effective unless such designation is consented to by the Participant’s spouse on a form provided by and in accordance with the procedures established by the Committee. If there is no Beneficiary designation in effect, or if there is no surviving designated Beneficiary, then the Participant’s surviving spouse shall be the Beneficiary. If there is no surviving spouse to receive any benefits payable in accordance with the preceding sentence, the duly appointed and currently acting personal representative of the Participant’s estate (which shall include either the Participant’s probate estate or living trust) shall be the Beneficiary. In any case where there is no such personal representative of the Participant’s estate duly appointed and acting in that capacity within 90 days after the Participant’s death (or such extended period as the Committee determines is reasonably necessary to allow such personal representative to be appointed, but not to exceed 180 days after the Participant’s death), then “Beneficiary” shall mean the person or persons who can verify by affidavit or court order to the satisfaction of the

Committee that they are legally entitled to receive the benefits specified hereunder. In the event any amount is payable under this Plan to a minor, payment shall not be made to the minor, but instead be paid (a) to that person's living parent(s) to act as custodian, (b) if that person's parents are then divorced, and one parent is the sole custodial parent, to such custodial parent, or (c) if no parent of that person is then living, to a custodian selected by the Committee to hold the funds for the minor under the Uniform Transfers or Gifts to Minors Act in effect in the jurisdiction in which the minor resides. If no parent is living and the Committee decides not to select another custodian to hold the funds for the minor, then payment shall be made to the duly appointed and currently acting guardian of the estate for the minor or, if no guardian of the estate for the minor is duly appointed and currently acting within 60 days after the date the amount becomes payable, payment shall be deposited with the court having jurisdiction over the estate of the minor.

"Board of Directors" or **"Board"** shall mean the Board of Directors of the Company.

"Change in Control Event" shall mean any of the following:

(a) An acquisition by any Person (excluding one or more Excluded Persons) of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) or a pecuniary interest in (either comprising "ownership of") more than 30% of the Common Stock or voting securities entitled to then vote generally in the election of directors of the Company (**"Voting Stock"**), after giving effect to any new issue in the case of an acquisition from the Company; or

(b) Consummation of a merger, consolidation, or reorganization of the Company or of a sale or other disposition of all or substantially all of the Company's consolidated assets as an entirety (collectively, a **"Business Combination"**), other than a Business Combination (1) in which all or substantially all of the holders of Voting Stock hold or receive directly or indirectly 70% or more of the voting stock of the entity resulting from the Business Combination (or a parent company), and (2) after which no Person (other than any one or more of the Excluded Persons) owns more than 30% of the voting stock of the resulting entity (or a parent company) who did not own directly or indirectly at least that amount of Voting Stock immediately before the Business Combination, and (3) after which one or more Excluded Persons own an aggregate number of shares of the voting stock at least equal to the aggregate number of shares of voting stock owned by any other Person who is not an Excluded Person (except for any person described in and satisfying the conditions of Rule 13d-1(b) (1) under the Exchange Act), if any, and who owns more than 30% of the voting stock; or

(c) Approval by the Board and (if required by law) by shareholders of the Company of a plan to consummate the dissolution or complete liquidation of the Company; or

(d) During any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new director (other than a director designated by a person who has entered into an agreement or arrangement with the Company to effect a transaction described in clause (a) or (b) of this definition) whose appointment, election, or nomination for election was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose appointment,

election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board.

For purposes of determining whether a Change in Control Event has occurred, a transaction includes all transactions in a series of related transactions.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended.

“**Committee**” shall mean the Compensation Committee of the Board, which shall administer this Plan in accordance with Section 9.

“**Company**” shall mean Korn Ferry, a Delaware corporation, and any successor corporation.

“**Detrimental Activity**” with respect to a Participant shall mean that such Participant:

(a) has directly or indirectly engaged in any business for his or her own account that competes with the business of any entity within the Company Group (“**Company Group**” means the Company, the Subsidiaries, and any affiliate of the Company or a Subsidiary) (a business in competition with any entity within the Company Group includes, without limitation, any business in an industry which any business in the Company Group may conduct business from time to time and any business in an industry which any entity within the Company Group has specific plans to enter in the future and as to which the Participant is aware of such planning); or

(b) has committed or engaged in an unauthorized disclosure or use of inside information, trade secrets or other confidential information, or an unauthorized use of trade names, trademarks, or other proprietary business designations owned or used in connection with the business of any entity within the Company Group; has failed to timely return to the Company in accordance with Company policy all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way relating to the business of any entity within the Company Group;

(c) has entered the employ of, renders services to, or has acquired a financial interest in any person engaged in any business that competes with the business of any entity within the Company Group; has acted intentionally in a manner injurious to the reputation, business or assets of, any entity within the Company Group; has interfered with business relationships (whether formed before or after the date hereof) between the Company, any Subsidiary, any of their respective affiliates, and any customers, suppliers, officers, employees, partners, members or investors; has influenced or attempted to influence a vendor or customer of any entity within the Company Group, either directly or indirectly, to divert their business away from the Company Group, induced a principal for whom an entity within the Company Group acts as agent to terminate such agency relationship, or induced an employee of any entity within the Company Group who earned \$25,000 or more on an annualized basis during the last six months of his or her employment to work for any business, individual, partnership, firm, corporation, or other entity then in competition with the business of any entity within the Company Group; or

(d) has agreed to take any action, or has expressed an intention to take any action, if in either case such action would constitute Detrimental Activity under subsection (a), (b) or (c) or this definition when such action is performed.

“Detrimental Activity Forfeiture Lapse Date” shall mean (i) the date that the last Annual Benefit payment is made under the Unit Award or (ii) in the event a Change in Control Event occurs prior to such last Annual Benefit Payment, the date of a Change in Control Event.

“Disability” shall mean with respect to a Participant any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, by reason of which impairment the Participant is either unable to engage in any substantial gainful activity or is receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Participant’s employer.

“Early Termination Date” shall have the meaning set forth in Section 5.1.

“Eligible Employee” shall mean any Officer or any employee of a Participating Affiliate who is in the position category of corporate vice president, Senior Client Partner or above and who customarily performs services for 30 or more hours per week for such Participating Affiliate.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Excluded Person” means

- (a) the Company or any Subsidiary;
- (b) any person described in and satisfying the conditions of Rule 13d-1(b)(1) under the Exchange Act);
- (c) any employee benefit plan of the Company or a Subsidiary;
- (d) any affiliates (within the meaning of the Exchange Act), successors, or heirs, descendants or members of the immediate families of the individuals identified in part (b) of this definition.

“Grant Date” shall mean, for each Unit Award, the date the Committee makes the Unit Award to the Participant, as set forth in the Participant’s Unit Award Agreement.

“Officer” shall mean the Chief Executive Officer, Chief Financial Officer, any Executive Vice President and any Vice President of the Company.

“Participant” shall mean any Eligible Employee who is selected for participation in the Plan.

“Participating Affiliate” shall mean the Company and any Subsidiary, which by resolution of its board of directors and with the approval of the Committee, elects to participate in this Plan. By electing to participate in this Plan, a Participating Affiliate agrees to be bound by any Plan amendment adopted by resolution of the Board of Directors or by the written instrument of any person to whom the Board of Directors has delegated its authority to adopt the amendment. If a Participating Affiliate ceases to be a Subsidiary, except by merger with its parent, the employment of each Eligible Employee of the Participating Affiliate shall be deemed to have terminated for purposes of this Plan, except to any extent any such Eligible Employee is required by law to continue to be treated under the Plan as an employee of the Company.

“Plan” shall mean this Korn Ferry Long Term Performance Unit Plan set forth herein, now in effect, or as amended from time to time.

“Separation from Service” shall have the meaning defined in Section 409A of the Code and Treasury Regulations Section 1.409A-1(h).

“Subsidiary” shall mean (a) each corporation which is (directly or indirectly) 50% or more owned by the Company, and (b) each entity which is partially owned by the Company and is organized under the laws of a nation other than the United States of America.

“Termination Date” shall mean the date that the Participant’s has a “separation from service,” as defined in Section 409A of the Code, from the Company and its Subsidiaries for any reason.

“Termination For Cause” shall mean a termination of service, based upon a finding by the Company, acting in good faith and based on its reasonable belief at the time, that the Participant:

(a) is or has been dishonest, incompetent, or negligent in the discharge of his or her duties to the Company; or has refused to perform stated or assigned duties; or

(b) has committed a theft or embezzlement, or a breach of confidentiality or unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information, or a breach of fiduciary duty involving personal profit, or a willful or negligent violation of any law, rule or regulation or of Company rules or policy, in any material respect; or has been convicted (including a plea of guilty or nolo contendere) of a felony or misdemeanor (other than minor traffic violations or similar offenses); or

(c) has materially breached any of the provisions of any agreement with the Company or a parent corporation; or

(d) has engaged in unfair competition with, or otherwise acted intentionally in a manner injurious to the reputation, business or assets of the Company; or has induced a customer to break or terminate any contract with the Company or an affiliate; or has induced any

principal for whom the Company (or an affiliate) acts as agent to terminate such agency relationship; or

(e) has made a misrepresentation or false statement in any application for employment, employment history, resume or other document submitted to the Company (whether before, during or after employment); or

(f) has engaged in Detrimental Activity prior to a Change in Control Event that results in a termination of service prior to a Change in Control Event. For avoidance of doubt, a Termination for Cause cannot occur on or following a Change in Control Event on the grounds that the Participant has engaged in Detrimental Activity, regardless of when such activity occurred.

A Termination For Cause shall be deemed to occur (subject to reinstatement upon a contrary final determination by the Board or Committee) on the date when the Company first delivers notice to the Participant of a finding of Termination For Cause and shall be final in all respects on the date following the opportunity to be heard and written notice to the Participant that his or her service is terminated.

“Unit Award” shall mean an award granted under this Plan. (x) A Unit Award made before June 1, 2020 has a base value of \$50,000 for purposes of determining the payment made for a partially-vested Unit Award upon an Early Termination Date, and such a Unit Award has a full value of \$125,000, which is the aggregate amount payable with respect to such Unit Award should it become fully vested (subject to the adjustment, if any, as set forth in Section 6.2). (y) A Unit Award made on or after June 1, 2020 and prior to July 1, 2021 has a base value of \$25,000 for purposes of determining the payment made for a partially-vested Unit Award upon an Early Termination Date, and such a Unit Award has a full value of \$50,000, which is the aggregate amount payable with respect to such Unit Award should it become fully vested (subject to the adjustment, if any, as set forth in Section 6.2). (z) A Unit Award made on or after July 1, 2021 has a base value of \$25,000 for purposes of determining the payment made for a partially-vested Unit Award upon an Early Termination Date, and such a Unit Award has a full value of \$62,500, which is the aggregate amount payable with respect to such Unit Award should it become fully vested (subject to the adjustment, if any, as set forth in Section 6.2).

“Unit Award Agreement” shall mean the written agreement evidencing an individual’s Unit Award granted under the Plan. The Unit Award Agreement may contain additional terms and conditions as agreed upon by the Company and the Participant.

3. PARTICIPATION AND UNIT AWARD GRANT

3.1 Participation

. The Committee shall from time to time select from the class of Eligible Employees those particular Eligible Employees who will participate in this Plan. Notwithstanding anything else contained herein to the contrary, the Committee shall limit the class of persons selected to participate in this Plan to a select group of management or highly compensated employees, as set forth in Sections 201, 301 and 401 of ERISA. Participation shall commence upon the Committee making a Unit Award to a Participant.

3.2 Unit Awards

. The Committee shall have discretion to grant Unit Awards to Eligible Employees selected to participate in the Plan, and shall have discretion to determine the amount and terms of each such Unit Award. The Committee may grant more than one Unit Award to a Participant under this Plan. Each grant of a Unit Award shall be evidenced by a Unit Award Agreement.

4. **ELECTION OF ANNUAL BENEFIT COMMENCEMENT DATE AND PAYMENT PERIOD**

4.1 Initial Elections

. Unless the Participant (i) dies while an employee of the Company and its Subsidiaries, or (ii) makes an election as provided in Sections 4.1.1 or 4.2, the Annual Benefit Commencement Date with respect to a Unit Award shall be the seventh anniversary of the Grant Date of the Unit Award. Unless the Participant makes an election as provided in Section 4.1.2, the Annual Benefit shall be five equal installments each in the amount of one-fifth of the full Unit Award value (thus, in the absence of an adjustment under Section 6.2, the Annual Benefit with respect to a Unit Award made before June 1, 2020 is \$25,000, the Annual Benefit with respect to a Unit Award made on or after June 1, 2020 and prior to July 1, 2021 is \$10,000, and the Annual Benefit with respect to a Unit Award made on or after July 1, 2021 is \$12,500).

4.1.1 Within thirty days of the Grant Date of each Unit Award, the Participant may elect, on a form and in the manner prescribed by the Committee, a later, but not earlier, Annual Benefit Commencement Date, provided that the date specified by the Participant shall not be a date after the Participant reaches age 70. In no case shall the Participant's Annual Benefit Commencement Date occur after the later of age 70 or the seventh anniversary of the Grant Date of the Unit Award.

4.1.2 Within thirty days of the Grant Date of each Unit Award, the Participant may elect, on a form and in the manner prescribed by the Committee, a longer, but not shorter, number of full years over which the Annual Benefit shall be paid. If the Participant elects a longer number of full years over which the Annual Benefit shall be paid, the amount of the Annual Benefit shall be the Unit Award value divided by the number of full years so elected by the Participant.

4.2 Annual Benefit Commencement Date Election Changes

. The Participant may change the Annual Benefit Commencement Date applicable under Section 4.1 to the extent permitted by this Section 4.2. Any change must be made by providing notice to the Committee no less than twelve months prior to the previously applicable Annual Benefit Commencement Date. The new Annual Benefit Commencement Date must be at least 5 years after the previously applicable Annual Benefit Commencement Date, and the new Annual Benefit Commencement Date must be a date permitted under Section 4.1.1.

4.3 No Right to Interest

. No interest or other increase in benefits is payable (i) to any Participant who elects a later Annual Benefit Commencement Date under Sections 4.1.1 or 4.2, or (ii) to any Participant who elects a longer number of full years over which the Annual Benefit shall be paid under Section 4.1.2. However, the Committee, in its sole discretion, may increase the amount payable to a Participant described in clause (i) or (ii) in an amount determined by the

Committee in its sole discretion. No Participant shall have any contractual right to such an increase at any time prior to actual payment.

5. VESTING

5.1 Entitlement to Annual Benefit

. The Annual Benefit shall be payable with respect to a Unit Award under any of the following circumstances:

5.1.1 The Participant continues to be employed by the Company through the fourth anniversary of the Grant Date for such Unit Award;

5.1.2 The Participant continues to be employed by the Company through the later of (i) the Participant's 65th birthday or (ii) the second anniversary of the Grant Date for such Unit Award;

5.1.3 The Participant dies while an employee of the Company and its Subsidiaries or incurs a Disability while an employee of the Company and its Subsidiaries; or

5.1.4 A Change in Control Event occurs while the Participant is employed by the Company.

If the Participant's Termination Date occurs before the Participant satisfies the requirements for payment of the Annual Benefit as provided in Sections 5.1.1 through 5.1.4, the Participant is deemed to have had an "Early Termination Date" with respect to such Unit Award. If the Participant has an Early Termination Date, (i) the Annual Benefit shall not be payable with respect to the Unit Award, and (ii) the payment (if any) with respect to the Unit Award shall be the amount (if any) determined under Section 5.2.

5.2 Forfeiture or Lump Sum Payment

. If a Participant's Early Termination Date occurs before the date that is 13 months after the Grant Date with respect to a Unit Award, the Unit Award is forfeited and no payment shall be made to the Participant with respect to the Unit Award. If a Participant's Early Termination Date occurs on or after the date that is 13 months after the Grant Date with respect to a Unit Award:

5.2.1 If the Unit Award was made before June 1, 2020, the Participant shall be entitled to a lump sum payment equal to the lesser of (x) \$50,000 or (y) the product of \$12,500 times the number of full years of service completed between the Grant Date and the Termination Date.

5.2.2 If the Unit Award was made on or after June 1, 2020 and prior to July 1, 2021, the Participant shall be entitled to a lump sum payment equal to the lesser of (x) \$25,000 or (y) the product of \$6,250 times the number of full years of service completed between the Grant Date and the Termination Date.

5.2.3 If the Unit Award was made on or after July 1, 2021, the Participant shall be entitled to a lump sum payment equal to the lesser of (x) \$25,000 or (y) the product of \$6,250 times the number of full years of service completed between the Grant Date and the Termination Date.

5.2.4 The payment determined under Section 5.2.1, 5.2.2 or 5.2.3 shall be made on the first day of the seventh month following the Participant's Termination Date.

5.2.5 The following hypothetical example illustrates the calculation of the lump sum payment. For purposes of the hypothetical, assume the Participant has a Termination Date before reaching age 65 and after completing three full years of service after the Grant Date. Since the Termination Date was before the Participant satisfied the requirements for payment of the Annual Benefit, it was an Early Termination Date. Therefore, the Annual Benefit is not payable, and the Participant is entitled to either (x) for a Unit Award made before June 1, 2020, a lump sum benefit of \$37,500, or (y) for a Unit Award made on or after June 1, 2020, a lump sum benefit of \$18,750.

6. DISTRIBUTION OF BENEFITS

6.1 Annual Distributions

. With respect to each Unit Award for which the Annual Benefit becomes payable, during the calendar year that includes the Annual Benefit Commencement Date and once per year during each of the next four calendar years thereafter (or such longer period as elected by the Participant pursuant to Section 4.1.2), the Company shall pay the Participant an amount equal to the Annual Benefit.

6.1.1 Except as provided in Sections 6.1.2, the Annual Benefit Commencement Date is the date determined in Sections 4.1 and 4.2.

6.1.2 If the Participant's Separation from Service is on account of the Participant's death, the Annual Benefit Commencement Date shall be sixty days following the Participant's Separation from Service.

The payment date within any calendar year shall be determined by the Company. Notwithstanding any provision of the Plan to the contrary, any payments commencing due to a Participant's Separation from Service (other than his or her death) shall not be made prior to the date that is six months following the date of such Separation from Service.

6.2 Adjustment to Annual Benefit

. The Committee may, in its sole discretion, provide in a Unit Award Agreement that the Annual Benefit is subject to the adjustment provided in this Section 6.2. Unless expressly provided in a Unit Award Agreement, the adjustment described in this Section 6.2 does not apply.

6.2.1 If the adjustment in this Section 6.2 applies, then the Unit Award value shall be increased (or decreased) according to a formula determined by the Committee at the time a Unit Award is granted, and such formula shall be specified in the Unit Award Agreement. By way of example and not limitation, such formula may be based on changes to the trading price of the Company's Common Stock during a period after the Unit Award is granted.

6.3 Liability for Payment

. Notwithstanding anything else in this Plan to the contrary: (1) a Participant's benefits with respect to this Plan shall be paid by the Participating Affiliate to whose employment of the Participant such benefits relate, and (2) a Participant shall have no right or claim to Plan benefits from any other Participating Affiliate other than the employer referenced in the foregoing clause.

6.4 Lump Sum Payment Following Disability

. If a Participant incurs a Disability while an employee of the Company and its Subsidiaries but before the Annual Benefit Commencement Date with respect to a Unit Award, then the payment under the Unit Award shall be a lump sum equal to five times the Annual Benefit. Such lump sum payment shall be in lieu of any other payments (including installment payments) with respect to a Unit Award. The lump sum payment shall be made during the calendar year in which the Participant incurred a Disability. The payment date within the calendar year shall be determined by the Company.

7. **FORFEITURE; DETRIMENTAL ACTIVITY.**

A Participant's rights with respect to the Unit Award, whether vested or unvested, shall terminate, become null and void, and be immediately forfeited if (i) the Participant's employment ends as a result of a Termination for Cause, or (ii) the Participant engages in any Detrimental Activity at any time prior to the Detrimental Activity Forfeiture Lapse Date. In the event that the Committee determines prior to a Change in Control Event that a Participant has engaged in Detrimental Activity at any time prior to the Detrimental Activity Forfeiture Lapse Date, the Committee shall cease to make payments under the Plan to the Participant and the Participant will forfeit any remaining Unit Award or Annual Benefit. Determinations of whether (i) a Participant's employment has ended as a result of a Termination for Cause, and (ii) a Participant has engaged in Detrimental Activity shall be made by the Committee in its sole discretion. For the avoidance of doubt, a Participant's rights with respect to any Unit Award, whether vested or unvested, may not terminate, become null or void, or be subject to forfeiture on or following a Change in Control Event due to the Participant having engaged in Detrimental Activity, even if such Detrimental Activity occurred prior to the Change in Control Event. For avoidance of doubt, if a Unit Award is forfeited under this Section 7, the Participant and Beneficiary forfeit all rights to any payments under such Unit Award, even if such Unit Award had previously become fully or partially vested under Section 5.1 or Section 5.2. Notwithstanding the foregoing, the Committee, in its sole discretion, may provide that some or all of the benefit described in Section 5.2 (i.e., the vested portion of \$50,000 (for Unit Awards made before June 1, 2020) or the vested portion of \$25,000 (for Unit Awards made on or after June 1, 2020)) shall be payable to a Participant whose benefit is otherwise subject to forfeiture under this Section 7. No Participant shall have any contractual right to a payment described in the preceding sentence at any time prior to actual payment.

8. **FUNDING**

8.1 Type of Plan

. The Plan is a defined benefit, unfunded, non-qualified deferred compensation plan. The benefits provided under this Plan are not based on any salary reduction by the Participants. Participants do not have the option of receiving any current payment or bonus in lieu of the benefits provided under this Plan.

8.2 Rabbi Trust

. The Company may establish a "rabbi trust" to which contributions may be made to provide the Company with a source of funds for purposes of satisfying the obligations of the Company under the Plan. Any such trust shall constitute an unfunded arrangement and shall not affect the status of the Plan as an unfunded plan. The Participant and his Beneficiaries shall have no beneficial ownership interest in any assets held in the trust.

9. PLAN ADMINISTRATION

9.1 Committee

. The Committee shall be appointed as set forth in the Company's governing documents.

9.2 Committee Action

. The Committee shall act at meetings by affirmative vote of a majority of the members of the Committee. Any action permitted to be taken at a meeting may be taken without a meeting if, prior to such action, a written consent to the action is signed by a majority of the members of the Committee and such written consent is filed with the minutes of the proceedings of the Committee. A member of the Committee shall not vote or act upon any matter which relates solely to himself or herself as an Participant. The Chairman or any other member or members of the Committee designated by the Chairman may execute any certificate or other written direction on behalf of the Committee.

9.3 Powers and Duties of the Committee

. The Committee, on behalf of the Participants and their Beneficiaries, shall enforce this Plan in accordance with its terms, shall be charged with the general administration of this Plan, and shall have all powers necessary to accomplish its purposes, including, but not by way of limitation, the following:

- (a) To construe and interpret the terms and provisions of this Plan and to make factual determinations hereunder;
- (b) To compute and certify the amount and kind of benefits payable to Participants and their Beneficiaries, and to determine the time and manner in which such benefits are paid;
- (c) To maintain all records that may be necessary for the administration of this Plan;
- (d) To provide for the disclosure of all information and the filing or provision of all reports and statements to Participants, Beneficiaries or governmental agencies as shall be required by law;
- (e) To make and publish such rules for the regulation of this Plan and procedures for the administration of this Plan as are not inconsistent with the terms hereof;
- (f) To appoint a plan administrator or any other agent, and to delegate to them such powers and duties in connection with the administration of this Plan as the Committee may from time to time prescribe (including but not limited to the power to approve the designation of Subsidiaries as Participating Affiliates under this Plan); and
- (g) To require or permit Participant (or Beneficiary, as the context may require) elections and/or consents under this Plan to be made by means of such electronic media as the Committee may prescribe.

9.4 Construction and Interpretation

. Prior to a Change in Control Event, the Committee shall have full discretion to construe and interpret the terms and provisions of this Plan, which interpretation or construction shall be final and binding on all parties, including but

not limited to the Company and any Participant or Beneficiary. Any interpretation, construction or determination made after a Change in Control Event shall be subject to review by an arbitrator on a *de novo* basis in accordance with Section 10.11 below. The Committee shall administer the terms and provisions of this Plan in a uniform and nondiscriminatory manner and in full accordance with any and all laws applicable to this Plan.

9.5 Compensation, Expenses and Indemnity

. The members of the Committee shall serve without compensation for their services hereunder. Expenses and fees in connection with the administration of this Plan shall be paid by the Company. The Committee is authorized at the expense of the Company to employ such legal counsel as it may deem advisable to assist in the performance of its duties hereunder. To the extent permitted by applicable state law, the Company shall indemnify and save harmless the Committee and each member thereof, the Board of Directors and any delegate of the Committee who is an employee of a Participating Affiliate against any and all expenses, liabilities and claims, including legal fees to defend against such liabilities and claims arising out of their discharge in good faith of responsibilities under or incident to this Plan, other than expenses and liabilities arising out of willful misconduct. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by the Participating Affiliate or provided by the Participating Affiliate under any bylaw, agreement or otherwise, as such indemnities are permitted under state law.

10. MISCELLANEOUS

10.1 Unsecured General Creditor

. Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, claims, or interest in any specific property or assets of any Participating Affiliate. No assets of any Participating Affiliate shall be held under any trust or held in any way as collateral security for the fulfilling of the obligations of any Participating Affiliate. Any and all of each Participating Affiliate's assets shall be, and remain, the general unpledged, unrestricted assets of the Participating Affiliate. Each Participating Affiliate's obligations under this Plan shall be merely that of an unfunded and unsecured promise of the Participating Affiliate to pay money in the future to those persons to whom the Participating Affiliate has a benefit obligation under this Plan, and the respective rights of the Participants and Beneficiaries shall be no greater than those of unsecured general creditors.

10.2 Restriction Against Assignment

. The respective Participating Affiliate shall pay all amounts payable hereunder only to the person or persons designated by the Plan and not to any other person or corporation. No part of the Unit Award or Annual Benefit shall be liable for the debts, contracts, or engagements of any Participant, his or her Beneficiary, or successors in interest, nor shall a Participant's Unit Award or Annual Benefit be subject to execution by levy, attachment, or garnishment or by any other legal or equitable proceeding, nor shall any such person have any right to alienate, anticipate, commute, pledge, encumber, or assign any benefits or payments hereunder in any manner whatsoever. If any Participant, Beneficiary or successor in interest is adjudicated bankrupt or purports to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any distribution or payment from the Plan, voluntarily or involuntarily, the Committee, in its discretion, may cancel such distribution or payment (or any part thereof) to or for the benefit of such Participant, Beneficiary or successor in interest in such manner as the Committee shall direct.

10.3 Tax Withholding

. The Company (or the Subsidiary by which the Participant is employed) may satisfy any state or federal employment tax withholding obligation, or such other withholding obligation as required by the Company's (or Subsidiary's) jurisdiction, with respect to the Unit Award under this Plan by deducting such amounts from any compensation payable by the Company (or a Subsidiary) to the Participant. There shall be deducted from each payment or distribution made under this Plan, or any other compensation payable to the Participant (or Beneficiary), all taxes which are required to be withheld by the Company (or a Subsidiary) in respect to such payment or distribution or this Plan. If the Company, for any reason, elects not to (or cannot) satisfy the withholding obligation from the amounts otherwise payable under this Plan, the Participant shall pay or provide for payment in cash of the amount of any taxes which the Company (or a Subsidiary) may be required to withhold with respect to the benefits hereunder.

10.4 Amendment, Modification, Suspension or Termination

. The Board or the Committee may amend, modify, suspend or terminate this Plan in whole or in part, except that no amendment, modification, suspension or termination shall have any retroactive effect to reduce any outstanding Unit Awards or accelerate or defer the timing of any distributions under this Plan as provided in Sections 5 or 6. A Participating Affiliate may elect to terminate its status as such at any time and, in such event, such termination shall not affect the Participating Affiliate's obligations under this Plan with respect to amounts previously awarded under this Plan for which the Participating Affiliate is liable. Notwithstanding the foregoing, this Plan may not be amended, modified, suspended or terminated in any manner that would adversely affect the rights of a Participant hereunder without such Participant's consent following a Change in Control Event.

10.5 Governing Law; Severability

. This Plan shall be construed, governed and administered in accordance with the laws of the State of Delaware. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective. To the extent that the Plan is subject to Section 409A of the Code, the Plan shall be construed and interpreted to the maximum extent reasonably possible to avoid the imputation of any tax, penalty or interest pursuant to Section 409A. The Company reserves the right to amend the Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of deferrals made under the Plan in light of Section 409A and any regulations or other guidance promulgated thereunder. However, in no event whatsoever will the Company or any Subsidiary be liable for any additional tax, interest or penalties that may be imposed on a Participant under Code Section 409A or any damages for failing to comply with Code Section 409A.

10.6 Receipt or Release

. Any payment to a Participant or the Participant's Beneficiary in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Committee, the Company and the Subsidiaries. The Committee may require such Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect.

10.7 Payment on Behalf of Persons Under Incapacity

. In the event that any amount becomes payable under the Plan to a person who, in the sole judgment of the Committee, is considered by reason of physical or mental condition to be unable to give a valid receipt

therefore, the Committee may direct that such payment be made to any person found by the Committee, in its sole judgment, to have assumed the care of such person. Any payment made pursuant to such determination shall constitute a full release and discharge of the Committee, the Company and the Subsidiaries.

10.8 No Right to Employment

. Participation in this Plan shall not give any person the right to continued employment or service or any rights or interests other than as expressly provided herein. No Participant shall have any right to any payment or benefit hereunder except to the extent provided in this Plan.

10.9 Titles and Headings

. Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

10.10 Claims Procedure

. A person who believes that he or she is being denied a benefit to which he or she is entitled under this Plan (hereinafter referred to as “**Claimant**”) may file a written request for such benefit with the Committee, setting forth his or her claim. The request must be addressed to the Committee at the Company’s then principal executive offices.

Upon receipt of a claim, the Committee shall advise the Claimant that a reply will be forthcoming within ninety days and shall, in fact, deliver such reply within such period. The Committee may, however, extend the reply period for an additional ninety days for special circumstances. If the claim is denied in whole or in part, the Committee shall inform the Claimant in writing, using language calculated to be understood by the Claimant, setting forth: (i) the specified reason or reasons for such denial, (ii) the specific reference to pertinent provisions of this Plan on which such denial is based, (iii) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation why such material or such information is necessary, (iv) appropriate information as to the steps to be taken if the Claimant wishes to submit the claim for review, and (v) the time limits for requesting a review set forth below.

Within sixty days after the receipt by the Claimant of the written reply described above, the Claimant may request in writing that the Committee review its determination. Such request must be addressed to the Committee at the Company’s then principal executive offices. The Claimant or his or her duly authorized representative may, but need not, review the pertinent documents and submit issues and comments in writing for consideration by the Committee. If the Claimant does not request a review within such sixty day period, he or she shall be barred and estopped from challenging the Committee’s determination.

Within sixty days after the Committee’s receipt of a request for review, after considering all materials presented by the Claimant, the Committee will inform the Claimant in writing, in manner calculated to be understood by the Claimant, of its decision setting forth the specific reasons for the decision and containing specific references to the pertinent provisions of this Plan on which the decision is based. If special circumstances require that the sixty day time period be extended, the Committee will so notify the Claimant and will render the decision as soon as possible, but no later than one hundred twenty days after receipt of the request for review.

10.11 Arbitration

. Any dispute regarding the Plan shall be submitted to mandatory, binding arbitration in Los Angeles, California before a single arbitrator provided by JAMS. A Claimant must exhaust the claims procedure set forth in Section 10.10 as a condition of commencing arbitration. If a civil action concerning the Plan has been brought, the Company and the Claimant shall take such actions as are necessary or appropriate, including dismissal of the civil action, so that the arbitration can be timely heard. Once arbitration is commenced, it may not be discontinued without the unanimous consent of all parties to the arbitration.

Any claim for arbitration may be submitted as follows: if the Claimant disagrees with an interpretation of this Plan by the Company or any fiduciary of this Plan, or disagrees with the calculation of his or her benefit under this Plan, the Claimant may, after exhaustion of the claims procedure set forth in Section 10.10, demand in writing that such claim be submitted to arbitration as provided in this Section 10.11. The arbitrator must be either (i) a lawyer with at least ten (10) years of active practice in the area of employee benefits/executive compensation or (ii) a retired California Superior Court or Appellate Court judge. If the Claimant and the Company do not agree on an arbitrator, JAMS shall send the Claimant and the Company a list of at least five (5) arbitrator candidates. JAMS shall also provide each party with a brief description of the background and experience of each arbitrator candidate. JAMS may replace any or all names on the list of arbitrator candidates for reasonable cause at any time before the parties have submitted their choice pursuant to the next sentence. Within seven (7) calendar days of service upon the parties of the list of names, the Company and the Claimant each may strike two (2) names, and shall rank the remaining arbitrator candidates in order of preference. The remaining arbitrator candidate with the highest composite ranking shall be appointed the arbitrator. JAMS may grant a reasonable extension of the time to strike and rank the arbitrator candidates to any party without the consent of the other parties. If this process does not yield an arbitrator, JAMS shall designate the arbitrator. If a party fails to respond to a list of Arbitrator candidates within seven (7) calendar days after its service, or fails to respond according to the instructions provided by JAMS, JAMS shall deem that party to have accepted all of the Arbitrator candidates.

Except as provided in this Section 10.11, the arbitration shall be administered pursuant to the JAMS Employment Arbitration Rules and Procedures (or the successor to such rules and procedures) as then in effect. The arbitration hearing shall be held within thirty days (or as soon thereafter as feasible) after the selection of the arbitrator. Absence from or non-participation at the hearing by any party shall not prevent the issuance of an award. Hearing procedures intended by the arbitrator to expedite the hearing may be ordered at the arbitrator's discretion, and the arbitrator may close the hearing in his or her sole discretion when he or she decides he or she has heard sufficient evidence to justify issuance of an award. The arbitrator shall apply the same standard of review referred to in Section 9.4 as would be applied by a court of proper jurisdiction. Accordingly, with respect to any interpretation, construction or determination by the Committee prior to a Change in Control Event, (i) the arbitrator shall not apply a de novo standard of review in reviewing the decision rendered through the claims procedure set forth in Section 10.10, but rather shall review the Committee's interpretation, construction or determination under an abuse of discretion standard, and (ii) the arbitrator's decision shall be based on the record presented in the claims procedure set forth in Section 10.10, and additional evidence shall be limited to that evidence (if any) that the arbitrator determines could appropriately be considered by a court of proper jurisdiction in applying the abuse of discretion

standard. With respect to any interpretation, construction or determination by the Committee upon and after a Change in Control Event, the arbitrator shall apply a de novo standard of review.

The arbitrator's award shall be rendered as expeditiously as feasible. In the event the arbitrator finds that the Claimant is entitled to the benefits he or she claimed, the arbitrator shall order the Company to pay or deliver such benefits, in the amounts and at such time as the arbitrator determines. The award of the arbitrator shall be final and binding on the parties. The award may be enforced in any appropriate court as soon as possible after its rendition. If any action is brought to confirm the award, no appeal shall be taken by any party from any decision rendered in such action.

If a Change in Control Event has occurred and the arbitrator determines that the Claimant is entitled to the claimed benefits, the arbitrator shall direct the Company to pay to the Claimant, and the Company shall pay to the Claimant in accordance with such order, an amount equal to the Claimant's expenses in pursuing the claim, including attorneys' fees.

If a Change in Control Event has occurred and the arbitrator determines that the Claimant is entitled to the claimed benefits, the arbitrator shall direct the Company to pay to the Claimant, and the Company shall pay to the Claimant in accordance with such order, an amount equal to the Claimant's expenses in pursuing the claim, including attorneys' fees.

**KORN FERRY
LONG TERM PERFORMANCE UNIT PLAN
UNIT AWARD AGREEMENT**

THIS UNIT AWARD AGREEMENT (this “Agreement”) by and between Korn Ferry, a Delaware corporation (the “Company”), and the Participant named below evidences the Unit Award granted by the Company to the Participant under the Korn Ferry Long Term Performance Unit Plan (the “Plan”). The capitalized terms used in this Agreement are defined in the Plan, if not defined herein.

Participant: _____

The Committee hereby selects the above named individual for participation in the Plan, effective as of the Grant Date.

Automatic Acceptance: If the Participant wishes to decline the Unit Award, the Participant must decline this Unit Award within 30 days of the Grant Date set forth below. If the Participant does not provide such notice within 30 days of the Grant Date, the Participant will be deemed to have accepted the Unit Award on the terms and conditions set forth in this Agreement.

Grant Date: _____

Unit Award: The Participant is hereby awarded _____ (specify number) of Unit Awards as of the Grant Date, subject to the terms of the Plan and this Agreement. Each Unit Award has a base value of \$25,000 for purposes of determining the lump sum payment made for a partially-vested Unit Award. Each Unit Award has a full value of \$62,500, which is the aggregate amount payable in five equal annual installments of \$12,500 with respect to a fully-vested Unit Award.

Vesting: The base value of the Unit Award shall become 25% vested 13 months after the Grant Date, 50% vested on the second anniversary of the Grant Date and 75% vested on the third anniversary of the Grant Date. The full value of the Unit Award shall become fully vested on the fourth anniversary of the Grant Date. The full value of the Unit Award shall also become fully vested (i) on the later of the Participant’s 65th birthday or the second anniversary of the Grant Date, (ii) upon the death or Disability of the Participant, and (iii) upon a Change in Control Event. In all instances, full or partial vesting is subject to the Participant’s continued employment by the Company through the relevant vesting date, and the Unit Award is forfeited upon termination of employment to the extent not vested. Furthermore, at all times (even following full or partial vesting) the Unit Award is subject to forfeiture if the Participant is terminated for Cause or, prior to a Change in Control Event, engages in Detrimental Activity, as set forth in the Plan. Should the Unit Award be forfeited, no payment shall be made under the Unit Award.

Payment: The vested portion of the base value of a Unit Award that is partially vested (but not fully vested) is payable as a lump sum on the first day of the seventh month following the Participant’s Termination Date. Subject to the Participant’s payout elections (described below), a fully-vested Unit Award is payable in five equal annual installments of \$12,500, with the first payment made during the calendar year that includes the seventh anniversary of the Grant Date, and with each subsequent payment made during each of the next four calendar years. If the Participant’s employment with the Company terminates on account of death prior to the seventh anniversary of the Grant Date, the annual installments commence 60 days following the date of death. If the Participant incurs a Disability while employed by the Company but before the Annual Benefit Commencement Date, the Unit Award is payable as a lump sum of \$62,500 in the year in which the Disability occurred. In all instances the payment date within any calendar year is determined by the Company; provided, however, that any payments commencing due to a

Participant's Separation from Service (other than his or her death) shall not be made prior to the date that is six months following the date of such Separation from Service.

Payout Elections: Within 30 days of the Grant Date, the Participant may elect (i) that the annual installments for a fully-vested Unit Award commence later than (but not earlier than) the calendar year that includes the seventh anniversary of the Grant Date, or (ii) that the payment for a fully-vested Unit Award be made over a greater (but not lesser) number of annual installments (with the full value of such installments remaining \$62,500). Furthermore, at least 12 months prior to the date benefits would otherwise commence, the Participant may elect that the annual installments for a fully-vested Unit Award commence later than the calendar year that includes the seventh anniversary of the Grant Date, provided that any such election must defer the commencement of benefits at least five additional years. In no instance shall interest or other investment earnings shall be credited to a Participant who makes an election to receive payments at a later date or over a greater number of installments. Any Participant elections must be made in the form and manner specified by the Company.

Plan Document Controls: This Agreement is subject to the terms and conditions of the Plan document. The Company represents and warrants that a current copy of the Plan document has been provided to the Participant, and Participant hereby acknowledges receipt of such document.

The Company has executed this Agreement, and unless the Participant notifies the Company within 30 days of the Grant Date that the Participant wishes to decline the Unit Award, the Participant is deemed to accept the Unit Award and to agree that the Unit Award is to be governed by the terms and conditions of this Agreement and the Plan.

KORN FERRY,
a Delaware corporation

By: _____

Its: _____

KORN FERRY

**LONG TERM PERFORMANCE UNIT PLAN
BENEFICIARY DESIGNATION FORM**

The undersigned (the "Participant") hereby names the following person or persons, including a trustee, personal representative or other fiduciary, as his/her beneficiary to receive all benefits to which the Participant may be entitled under Korn Ferry Long Term Performance Unit Plan in the event of the Participant's death.

Beneficiary: _____
Percentage of benefits (percentages
must add to 100% in the aggregate): _____
Relationship: _____

Beneficiary: _____
Percentage of benefits (percentages
must add to 100% in the aggregate): _____
Relationship: _____

Beneficiary: _____
Percentage of benefits (percentages
must add to 100% in the aggregate): _____
Relationship: _____

PARTICIPANT

Signature

Print Name

Address

City, State, Zip Code

ACCEPTED BY:

KORN FERRY,
a Delaware corporation

By: _____

Its: _____

KORN FERRY

**LONG TERM PERFORMANCE UNIT PLAN
PAYOUT ELECTION FORM**

NOTE -- THIS FORM IS OPTIONAL. *This form is **only** used to defer payments under the LTPUP.*

Participant: _____

Grant Date for Unit Awards subject to this election: _____

Purpose: This optional form may be used by a Participant in the Korn Ferry Long Term Performance Unit Plan (the “Plan”) to defer payments under the Plan. Please be aware that no interest is payable on deferred payments.

If you wish to make an **optional** election to defer payments, you may elect (i) that the annual installments for a fully-vested Unit Award commence later than the calendar year that includes the seventh anniversary of the Grant Date, or (ii) that the payment for a fully-vested Unit Award be made over a greater number of annual installments. If you elect either of these deferrals, interest is not payable – the full value of the installments you receive will remain \$62,500.

A Participant who does not wish to further defer receipt of benefits or to receive benefits over a longer period should not submit this form.

Units Awards Subject to this Election: The Participant’s election applies to the Unit Award(s) granted to the Participant on the Grant Date shown above (the “Applicable Unit Awards”).

Deadline: In order to comply with certain tax rules governing the Plan, a Participant wishing to defer benefits must complete and deliver this election form to the Company no later than 30 days following the Grant Date. Any attempt to make the election following such deadline shall be disregarded.

No Interest or Investment Earnings: Under the elections below, the Participant will receive the payments for the Applicable Unit Award at a later date or over a longer period of time than in the absence of the election. The Participant understands and agrees that no interest, investment earnings or other compensation will be paid as a result of such election.

Defer Annual Benefit Commencement Date (OPTIONAL): The Participant hereby elects to receive any Annual Benefit that he/she may be entitled to receive pursuant to the Plan for the Applicable Unit Awards beginning during the following calendar year: ***(Select one if you wish to defer receipt of your benefits; otherwise leave blank)***

The calendar year that is 6 months following the Participant’s Separation from Service with the Company. However, (i) distributions will not start earlier than the calendar year that includes the seventh anniversary of the Grant Date, (ii)

distributions will not start later than the year in which the Participant reaches age 70, and (iii) any payments due to a Participant's Separation from Service will not start prior to six months following such Separation from Service.

The calendar year in which the Participant attains age ____ (*Insert an age not exceeding 70*). However, distributions will not start earlier than the calendar year that includes the seventh anniversary of the Grant Date.

The calendar year that includes the ____ th anniversary of the Grant Date (*Insert a number of years higher than 7*). However, distributions will not start later than the calendar year in which the Participant reaches age 70.

Spread Benefit Over Additional Installments (OPTIONAL): The Participant hereby elects to receive any Annual Benefit that he/she may be entitled to receive pursuant to the Plan for the Applicable Unit Awards in the following number of installments: (***Indicate the number of annual installments if you wish to receive more than 5 installments; otherwise leave blank***)

Pay my Annual Benefit in ____ installments (*Insert a number of installments not less than 6, but no longer than 15 years*).

DO NOT COMPLETE OR RETURN THIS FORM UNLESS YOU WISH TO FURTHER DEFER YOUR PAYMENTS WITHOUT INTEREST.

PARTICIPANT

Signature

Print Name

Address

City, State, Zip Code

ACCEPTED BY:

KORN FERRY,

a Delaware corporation

By: _____

Its: _____

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into this June 28, 2021 by and between KORN FERRY, a Delaware corporation with its principal offices in Los Angeles, California (the “Company”), and GARY BURNISON, an individual (the “Executive”). The parties previously entered into an Amended and Restated Employment Agreement dated as of March 30, 2018, as amended by Letter Agreements dated as of April 14, 2020 and July 9, 2020 (collectively, the “Prior Agreement”). This Agreement is an amendment and complete restatement, and supersedes in the entirety, the Prior Agreement.

Employment.

The Company agrees to continue to employ Executive as its Chief Executive Officer and Executive agrees to be so employed by the Company, without interruption, upon the terms and conditions set forth in this Agreement.

At-Will Employment.

Executive’s employment under this Agreement commences on the date hereof. Executive’s employment shall be on an at-will basis and, subject to compliance with this Agreement, the Company may terminate Executive’s employment, with or without Cause (as defined in Section 6(i) of this Agreement), for any reason or no reason and with or without advance notice upon a resolution adopted by a majority of the then serving members of the Board other than Executive, and Executive may terminate his employment at any time, for any or no reason, with or without Good Reason (as defined in Section 6(i) of this Agreement) upon ninety (90) days (or thirty (30) days in the case of termination for Good Reason) advance written notice to the Company. Sections 9, 10, 11 and 13 shall survive any termination of this Agreement or of Executive’s employment hereunder.

Position, Duties and Responsibilities.

Executive will serve as Chief Executive Officer with duties and responsibilities customary to such office and shall report to the Company’s Board of Directors (the “Board”). At the request of the Board, Executive will serve as an officer or director of the Company’s subsidiaries and other affiliates without additional compensation. Executive will devote substantially all of Executive’s business time and attention to the performance of Executive’s obligations, duties and responsibilities under this Agreement. Subject to Company policies applicable to senior executives generally, Executive may engage in personal, charitable, professional and investment activities to the extent such activities do not conflict or interfere with Executive’s obligations to, or Executive’s ability to perform the normal duties and functions of Executive pursuant to this Agreement. Executive shall be subject to, and comply with, all Company policies covering him, including, without limitation, the Company’s clawback policy as in effect from time to time. Executive will be nominated for election to the Board prior to the next annual shareholders’ meeting of the Company.

Compensation.

In consideration of Executive’s services to the Company pursuant to this Agreement, Executive’s compensation shall be as follows:

Base Salary.

Effective July 1, 2021, Executive shall be entitled to receive a base salary of \$83,333.33 per month (his “Base Salary”) (\$1,000,000 on an annualized basis) (such annualized amount, his “Annual Base Salary”), paid in accordance with the Company’s

regular payroll practices. The Board and/or the Compensation and Personnel Committee of the Board (the "Compensation Committee") will review the level of Executive's Base Salary at least annually, beginning in May 2022. The Board or the Compensation Committee, acting in its discretion, may increase (but may not decrease) Executive's Base Salary at any time, unless the Board and/or the Compensation Committee concludes that an across-the-board reduction in compensation is required for all executive officers of the Company, in which case Executive's compensation shall be ratably reduced.

Annual Cash Incentive Award.

Executive will participate in the Company's annual cash incentive plan established for senior executives with an annual target cash award equal to 150% of Executive's Annual Base Salary, with the ability to earn additional amounts up to a maximum cash award equal to 300% of Executive's Annual Base Salary. Executive's annual cash incentive award will be payable at such time as annual cash incentive awards are paid to executive officers generally, but not later than 120 days after the end of the fiscal year for which such award is earned. The annual performance targets for the cash award shall be set by the Compensation Committee in its discretion based on competitive compensation peer market data.

Equity Incentive Program.

Executive shall be awarded, subject to the approval of the Compensation Committee, equity incentives with respect to shares of the Company's common stock ("Shares"), which shall be granted under the Korn Ferry Fourth Amended and Restated 2008 Stock Incentive Plan, as the same may be amended from time to time (or a successor plan). Such annual equity incentives shall be awarded at the same time annual cash incentive awards are awarded to the Company's other executive officers. Subject to Section 4(e) below, the terms of any equity incentives granted shall be set by the Compensation Committee in its discretion based on the performance of the Company and Executive.

Retention Award.

Provided Executive remains continuously employed by the Company through March 30, 2022 (the "Retention Vesting Date"), he will be entitled to a retention award in the amount of \$5 million, with interest accruing following the Retention Vesting Date until the date of termination of Executive's employment at 120% of the long-term Applicable Federal Rate as in effect from time to time (based on an annual average) as published by the Internal Revenue Service in accordance with Section 1274(d) of the Internal Revenue Code of 1986, as amended (the "Code"), compounded annually, less required withholding (the "Retention Award"). The Retention Award will be payable in cash in equal monthly installments, without interest, over a period of twelve (12) months after the date Executive's employment terminates for any reason (other than by the Company for Cause) on or after the Retention Vesting Date. Except as otherwise expressly provided in Section 6(a), Section 6(b), Section 6(d)(1) or Section 6(e)(1) below, if Executive's employment terminates for any reason prior to the Retention Vesting Date or his employment is terminated by the Company at any time for Cause, the Retention Award will be immediately forfeited. Notwithstanding any provision of this Agreement to the contrary, Executive's right to the Retention Award shall be contingent on Executive meeting the conditions set forth in Section 6(h) below .

Equity Award Vesting Provisions.

Upon a termination of Executive's employment for any reason (other than by the Company for Cause or due to death or Disability) at any time on or after the Retention Vesting Date, all unvested equity-based compensation and

other long term incentive awards granted on or after March 30, 2018, and at least ninety (90) days prior to such termination of employment, will continue to vest in accordance with their terms (disregarding such termination); provided, however, that, such ninety (90)-day requirement shall be disregarded in the event of Executive's termination by the Company without Cause or by Executive for Good Reason within such ninety (90) day period; provided further, that, in lieu of the foregoing, the provisions of Section 6(e)(3), (4) and (5) shall continue to apply in the event a Change in Control occurs and, within twenty-four (24) months thereafter, Executive's employment is terminated by the Company without Cause or by Executive for Good Reason, as set forth in Section 6(e)(3), (4) and (5). Notwithstanding any provision of this Agreement to the contrary, Executive's right to continued vesting in accordance with this Section 4(e) shall be contingent on Executive meeting the conditions set forth in Section 6(h) below. For the avoidance of doubt, in the event Executive's employment is terminated (i) by the Company for Cause, all equity-based and other long term incentive awards compensation will be immediately forfeited, (ii) due to Executive's death, Section 6(a) shall apply and (iii) due to Executive's Disability, Section 6(b) shall apply.

5. Employee Benefit Programs and Perquisites.

General.

Executive will be entitled to participate in such retirement or pension plans, group health, long-term disability and group life insurance plans, and any other welfare and fringe benefit plans, arrangements, programs and perquisites sponsored or maintained by the Company from time to time for the benefit of its senior executives generally.

Reimbursement of Business Expenses.

Executive is authorized to incur reasonable expenses in accordance with the Company's written policy in carrying out Executive's duties and responsibilities under this Agreement. The Company will promptly reimburse Executive for all such expenses that are so incurred upon presentation of appropriate vouchers or receipts. All reimbursements provided under this Agreement shall be subject to the conditions set forth in Section 7(b) and the Company's expense reimbursement policies applicable to senior executive officers generally.

6. Termination of Employment. The following terms shall govern (x) the termination of Executive's employment, whether or not in connection with the occurrence of a Change in Control, and (y) certain of Executive's obligations following Executive's termination of employment. For avoidance of doubt, without limiting the applicability of this Section 6, the terms of the Agreement shall not take precedence or control over, or otherwise limit or restrict, any policies or procedures of the Company, including but not limited to the Company's Code of Business Conduct and Ethics and the Company's standard form of Agreement to Protect Confidential Information, an executed version of which is attached hereto as Exhibit 1.

Death.

If Executive's employment with the Company terminates by reason of Executive's death, then the Company will pay to Executive's estate, Executive's "Accrued Compensation" (as defined in Section 6(i)) within 30 days after Executive's termination (with the payment date during such 30 day period to be determined by the Company in its discretion, except as required by applicable law), and all outstanding stock options and other equity-type incentives held by Executive (but expressly excluding any performance-based restricted stock unit awards and other performance-based equity compensation awards

(collectively, the “Performance Shares”)) and all of Executive’s benefits, if any, under the Executive Capital Accumulation Plan at the time of Executive’s death will become fully vested and, to the extent applicable, shall remain exercisable until the earlier of (A) the date that is two (2) years after the date of Executive’s death or (B) its originally scheduled expiration date. Additionally, Executive’s estate shall be entitled to a pro rata portion of Executive’s target annual cash incentive award established for the fiscal year in which Executive’s employment terminates due to death (based on the proportion that the number of days of Executive’s actual service to the Company during such fiscal year bears to the number of days in such fiscal year). Executive’s estate shall also be entitled to receive the number of Performance Shares that would have been earned if Executive had served the Company for the entire period during which the goals for such Performance Shares are measured (the “Performance Period”) and the Company’s performance during such period had been the target performance for the Performance Period. To the extent Executive’s covered dependent(s) continue to participate in the Company’s group health plan(s) after Executive’s death pursuant to COBRA, unless prohibited by applicable law, the Company will provide reimbursement of COBRA coverage premiums in accordance with the provisions of Section 7 paid by Executive’s covered dependent(s) so that such covered dependent(s) enjoy coverage at the same benefit level and to the same extent and at no out-of-pocket cost to Executive’s covered dependent(s) as participation is available to other executive officers of the Company, for as long as such coverage is required to be made available under COBRA. Additionally, (i) if unvested, the Retention Award shall become immediately fully vested, and (ii) any unpaid portion of the Retention Award shall be paid in a lump sum within 30 days following the date of Executive’s death.

Disability.

If the Company terminates Executive’s employment by reason of Executive’s Disability (as defined in Section 6(i)), then the Company will pay to Executive or his guardian his Accrued Compensation within 30 days after Executive’s termination (with the payment date during such 30 day period to be determined by the Company in its discretion, except as required by applicable law), and all outstanding stock options and other equity-type incentives (but expressly excluding Performance Shares) held by Executive and all of Executive’s benefits, if any, under the Executive Capital Accumulation Plan at Executive’s termination date will become fully vested and, to the extent applicable, shall remain exercisable until the date that is the earlier of (A) two (2) years after the date Executive’s employment terminates and (B) its original scheduled expiration date. Additionally, Executive or Executive’s guardian shall be entitled to a pro rata portion of Executive’s target annual cash incentive award established for the fiscal year in which Executive’s employment terminates due to Disability (based on the proportion that the number of days during such fiscal year prior to the date of termination bears to the number of days in such fiscal year). Executive or Executive’s guardian shall also be entitled to receive the number of Performance Shares that would have been earned if Executive had served the Company for the entire Performance Period and the Company’s performance during such period had been the target performance for the Performance Period. In the case of equity-based compensation awards granted on or after March 30, 2018, vesting due to termination due to Disability under this Section 6(b) shall not accelerate any distribution of shares subject to the awards, and such distributions will be made on the dates shares would have otherwise been distributed if Executive’s employment had continued through the scheduled vesting dates under the applicable award agreements. To the extent Executive and/or Executive’s covered dependent(s) continue to participate in the Company’s group health plan(s) pursuant to COBRA after Executive’s termination of employment by reason of Disability, unless prohibited

by applicable law, the Company will provide reimbursement of COBRA coverage premiums in accordance with the provisions of Section 7 paid by Executive and Executive's dependent(s) so that Executive and Executive's covered dependent(s) enjoy coverage at the same benefit level and to the same extent and for the same effective contribution, if any, as participation is available to other executive officers of the Company, for as long as such coverage is required to be made available under COBRA. Additionally, if such termination occurs prior to the Retention Vesting Date, the Retention Award shall become immediately fully vested and shall be payable in cash in equal monthly installments, without interest, over a period of twelve (12) months after the date Executive's employment terminates due to Disability.

Termination by the Company for Cause or Voluntary Termination by Executive.

- (1) If (i) the Company terminates Executive's employment for Cause (as defined in Section 6(i)), or (ii) Executive voluntarily terminates Executive's employment without Good Reason (as defined in Section 6(i)), then the Company shall pay to Executive his Accrued Compensation through the date Executive's employment terminates within 30 days after the date of such termination (with the payment date during such 30 day period to be determined by the Company in its discretion, except as required by applicable law) .

Termination by the Company Without Cause or by Executive for Good Reason Prior to a Change in Control or More Than 24 Months After a Change in Control.

If Executive's employment is terminated prior to a "Change in Control" (as defined in Schedule A), or more than 24 months after the date on which a Change in Control occurs, (i) by the Company without Cause and for a reason other than Executive's death or Disability, or (ii) by Executive for Good Reason, then the Company shall pay to Executive his Accrued Compensation, with such payment to be made within 30 days after Executive's termination (with the payment date during such 30 day period to be determined by the Company in its discretion) and a pro rata portion of Executive's annual cash incentive award that Executive would have received for the fiscal year in which Executive's employment terminates (based on the Company's actual performance over the entire year and the number of days of Executive's actual service to the Company during such fiscal year), which pro rata portion will be payable to Executive at the same time bonuses are paid to executives generally for the applicable fiscal year; and:

- (1) solely if such termination of employment occurs prior to the Retention Vesting Date, the Company shall pay to Executive, in the aggregate, cash payments equal to the greater of (i) the sum of one and one-half (1.5) times Executive's then current Annual Base Salary and one and one-half times Executive's then current target annual cash bonus, or (ii) an amount equal to the Retention Award multiplied by a fraction, the numerator of which is the number of days of Executive's employment with the Company from March 30, 2018 to the date Executive's employment terminates and the denominator of which is one thousand four hundred sixty-one (1,461); and such amount shall be payable in equal monthly installments over a period of twelve (12) months after the date Executive's employment terminates, commencing within fifteen (15) days after the effectiveness of the general release by Executive (as provided in Section 6(h)) and the first such installment shall include all accrued amounts from the date of termination;

- (2) for up to eighteen (18) months after such termination, to the extent Executive and/or Executive's covered dependent(s) continue to participate in the Company's group health plan(s) pursuant to COBRA after Executive's termination of employment, unless prohibited by applicable law, the Company will provide reimbursement of COBRA coverage premiums paid by Executive and Executive's covered dependent(s) so that Executive and Executive's covered dependent(s) enjoy coverage at the same benefit level and to the same extent and for the same effective contribution, if any, as participation is available to other executive officers of the Company;
- (3) for any such termination occurring prior to the Retention Vesting Date, outstanding stock options and other equity-type incentives held by Executive (other than any Performance Shares) and all of Executive's benefits under the Executive Capital Accumulation Plan and any other time-vesting long term incentive plan at the time of Executive's termination (collectively and individually, "Time-Based Incentives") will continue to vest in accordance with their terms (disregarding such termination) and, to the extent applicable, shall remain exercisable until the date that is the earlier of (x) two (2) years after the date Executive's employment terminates (but, two (2) years after the date of vesting if vesting occurs following such termination) and (y) its originally scheduled expiration date; and
- (4) for any such termination occurring prior to the Retention Vesting Date, Executive shall be entitled to receive a number of Performance Shares and/or a payout under any long-term performance-based cash incentive program (as applicable) equal to the Performance Shares and/or cash award that would have been earned if Executive had served the Company for the entire Performance Period based on the Company's actual performance over the entire Performance Period, and such Performance Shares and/or cash awards will be payable to Executive at the same time such Performance Shares and/or cash awards are paid to executives generally for the applicable Performance Period.

For the avoidance of doubt, Sections 6(d)(1), (3) and (4) shall terminate on the Retention Vesting Date, and no amount shall be payable and no benefit shall be provided under such clauses in the case of any termination of employment that occurs on or after such date (but, for the further avoidance of doubt, the pro rata portion of Executive's annual bonus provided in this Section 6(d) and the benefit provided under clause (2) of this Section 6(d) shall not terminate on the Retention Vesting Date and Section 4(e) shall govern the vesting of Time-Based Incentives and Performance Shares (and any other long term performance-based incentive awards) on and after the Retention Vesting Date).

Following a Change in Control, Termination by the Company Without Cause or by Executive for Good Reason.

If a Change in Control occurs and, within 24 months after the date on which the Change in Control occurs, Executive's employment is terminated (i) by the Company without Cause or (ii) by Executive for Good Reason, then the Company shall pay to Executive his Accrued Compensation, such payment to be made within 30 days after Executive's termination (with the payment date during such 30 day period to be determined by the Company in its discretion, except as required by applicable law), and a pro rata portion of Executive's annual cash incentive award established for the fiscal year in which Executive's employment terminates (based on the following: (1) an assumption that all performance goals are achieved at the target level of performance and (2) the number of days of Executive's actual

service to the Company during such fiscal year), which pro rata portion will be payable to Executive within 60 days after the Executive's termination, and

- (1) the Company shall pay to Executive, in the aggregate, cash payments equal to the sum of (i) three (3) times Executive's then current Annual Base Salary, (ii) three (3) times Executive's target bonus, and (iii) the amount of the Retention Award (to the extent not yet paid); and such sum shall be payable in equal monthly installments over a period of twelve (12) months after the date Executive's employment terminates;
- (2) for up to eighteen (18) months after such termination, to the extent Executive and/or Executive's covered dependent(s) continue to participate in the Company's group health plan(s) pursuant to COBRA after Executive's termination of employment, unless prohibited by applicable law, the Company will provide reimbursement of COBRA coverage premiums paid by Executive and Executive's dependent(s) so that Executive and Executive's covered dependent(s) enjoy coverage at the same benefit level and to the same extent and for the same effective contribution, if any, as participation is available to other executive officers of the Company; for the six (6) months thereafter, if continuing coverage under the Company's group health plan(s) is not available under COBRA, upon the written request of Executive at any time prior to or during such six (6) month period, the Company will use commercially reasonable efforts to secure continuing coverage for Executive and/or Executive's covered dependent(s) under the Company's group health plan(s), or if such coverage is unavailable, substantially similar coverage through an alternative health plan provider, and in either case in which such coverage is obtained, unless prohibited by applicable law, the Company will reimburse Executive and Executive's covered dependent(s) for a portion of the cost of such coverage equal to the amount that the Company would have paid Executive and Executive's covered dependents had Executive and Executive's covered dependent(s) been eligible for COBRA coverage and the Company was obligated to provide reimbursement of COBRA coverage premiums paid by Executive and Executive's dependent(s) so that Executive and Executive's covered dependent(s) could enjoy coverage at a substantially similar benefit level and for the same effective contribution, if any, as participation is available to other executive officers of the Company;
- (3) all outstanding stock options and other equity-type incentives held by Executive and all of Executive's benefits under the Executive Capital Accumulation Plan and any other time-vesting long term incentive plan at the time of Executive's termination (but expressly excluding Performance Shares and any other long term performance-based incentive awards, below) will become fully vested and, to the extent applicable, shall remain exercisable until the date that is the earlier of (x) two (2) years after the date Executive's employment terminates and (y) its originally scheduled expiration date; and
- (4) Executive shall receive a number of Performance Shares and/or a payout under any long-term performance-based cash incentive program (as applicable) equal to the greater of (i) the Performance Shares and/or cash award that would have been earned if Executive had served the Company for the entirety of any open performance period at the time of Executive's termination of employment and the Company's performance during such period had been (x) the Company's actual performance through the date of the Change in Control and (y) at the target level for the period subsequent to the Change in Control, and (ii) the Performance Shares and/or cash award that would have been earned if Executive had served the Company for

the entirety of any open performance period at the time of Executive's termination of employment and the Company's performance during such period had been at the target level of performance for the entire performance period .

Other Programs

Except as otherwise provided in this Agreement, Executive's entitlements under applicable plans and programs of the Company following termination of Executive's employment will be determined under the terms of those plans and programs.

Section 4999 "Golden Parachute" Payments

Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment, award, benefit or distribution (or any acceleration of any payment, award, benefit or distribution) by the Company (or any of its affiliated entities) or any entity which effectuates a Change in Control (or any of its affiliated entities) to or for the benefit of Executive (whether pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code, or interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then such Payments shall either (a) be delivered in full, or (b) subject to, and in a manner consistent with the requirements of Section 409A, be reduced to the minimum extent necessary to ensure that no portion thereof will be subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state or local income and employment taxes and the Excise Tax, results in receipt by Executive, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to the Excise Tax. In the event that any Payments are to be reduced pursuant to this Section 6(g), then the reduction shall be applied as follows: (i) first, on a pro rata basis to Executive's cash severance payments and his pro rata annual cash incentive award payment for the year of termination, (ii) second, on a pro rata basis to Executive's equity incentive awards and (iii) third, to Executive's benefits under the Executive Capital Accumulation Plan. The determinations to be made with respect to this Section 6(g) shall be made by a qualified accounting or legal professional firm (the "Tax Professional") jointly selected by the Company and Executive and paid by the Company that has not during the two years preceding the date of its selection acted in any way on behalf of the Company or any of its subsidiaries. The Tax Professional shall be a nationally recognized United States public accounting or law firm. If Executive and the Company cannot agree on the firm to serve as the Tax Professional, then Executive and the Company shall each select one such firm and those two firms shall jointly select such a different firm to serve as the Tax Professional. Absent manifest error, the determinations by the Tax Professional shall be binding upon the Company and Executive.

Conditions to Receipt of Benefits Under Section 6, Retention Award and Continued Vesting

Notwithstanding anything in this Agreement to the contrary, other than the payment of Executive's Accrued Compensation through the date of termination of Executive's employment, Executive shall not be entitled to any payments or benefits under this Section 6, payments under the Retention Award, or continued vesting after termination of employment pursuant to Section 4(e) above unless and until Executive (or the representative of Executive's estate, in the case of termination due to Executive's death), executes and delivers to the Company, within forty-five (45) days of the date of termination of Executive's employment, a unilateral general release of all known and unknown claims against the Company and its officers,

directors, employees, agents and affiliates in a form acceptable to the Company, other than enforcement of any payments or benefits due under Section 6 of this Agreement and other than with respect to vested rights provided under any compensation or benefit plan or rights to indemnification under any Company document or applicable law and to coverage as an insured under applicable directors and officers liability insurance, and such release becomes fully effective and irrevocable under applicable law. Additionally, since Executive's satisfaction of the obligations set forth in this sentence are a condition precedent to Executive's rights to receive the additional benefits set forth in this Section 6, Executive shall not be entitled to payments and benefits under this Section 6, payments under the Retention Award, or continued vesting after termination of employment pursuant to Section 4(e) above on or after the date, if any, during the twelve (12) months following the date Executive's employment terminates (the "Restricted Period"), that Executive (1) breaches or otherwise fails to comply with any of Executive's obligations under Section 9(a) (Nondisclosure of Confidential Information) or Section 10 (Nonsolicitation) under this Agreement, or (2) Executive elects to, directly or indirectly, (a) own, manage, operate, sell, control or participate in the ownership, management, operation, sales or control of any of the companies set forth on Attachment I hereto; provided that the foregoing shall not be applicable to the ownership of not more than 1% of the publicly traded equity securities of any of the foregoing or to the indirect ownership of any of the foregoing through the ownership of mutual funds; or (b) request or advise any of the clients, vendors or other business contacts of the Company with which Executive had contact while employed by the Company to withdraw, curtail, cancel or not increase their business with the Company. Executive agrees to notify the Company of each employment or consulting engagement he accepts during the Restricted Period (including the name and address of the hiring party) and will, upon request by the Company, describe in reasonable detail the nature of his duties in each such position. For avoidance of doubt, in the event Executive violates the non-competition restriction set forth in this paragraph, the Company's sole remedy shall be the ability to cease making or providing any payments or benefits otherwise payable or deliverable under Sections 4(d), 4(e) and 6 hereof.

Certain Definitions.

For purposes of this Agreement, the following terms shall have the meanings set forth herein:

- (1) "Accrued Compensation" means, as of any date, the amount of any unpaid Base Salary and annual cash incentive award earned by Executive through the date of Executive's death or the termination of Executive's employment (it being understood and agreed that no portion of the annual cash incentive award described in Section 4(b) payable in respect of a fiscal year shall be deemed earned unless Executive was employed with the Company as of the last day of such fiscal year).
- (2) "Cause" shall mean (a) conviction of any felony or other crime involving fraud, dishonesty or acts of moral turpitude or pleading guilty or nolo contendere to such charges, or (b) reckless or intentional behavior or conduct that causes or is reasonably likely to cause the Company material harm or injury or exposes or is reasonably likely to expose the Company to any material civil, criminal or administrative liability, or (c) any material misrepresentation or false statement made by Executive in any application for employment, employment history, resume or other document submitted to the Company, either before, during or after employment. Prior to terminating the Executive for Cause, the Company shall be required to provide Executive with 90 days advance written notice of its intention to terminate

Executive for Cause, but Executive shall be permitted to cure any performance deficiencies during such 90 day period (if the termination is not due to performance deficiencies, then the Company is permitted to put Executive on paid leave during such 90 day period).

(3) "Disability" means any medically determinable physical or mental condition or impairment which prevents Executive from performing the principal functions of Executive's duties with the Company that can be expected to result in death or that has lasted or can be expected to last for a period of 90 consecutive days or for shorter periods aggregating 180 days in any consecutive 12 month period, with such determination to be made by an approved medical doctor. For this purpose, an approved medical doctor shall mean a medical doctor selected by the Company and Executive. If the parties cannot agree on a medical doctor, each party shall select a medical doctor and the two doctors shall select a third medical doctor who shall be the approved medical doctor for this purpose.

(4) Executive shall be deemed to have "Good Reason" to terminate his employment hereunder if, without Executive's prior written consent, (A) the Company materially reduces Executive's duties or responsibilities as Chief Executive Officer, or assigns Executive duties which are materially inconsistent with his duties or which materially impair Executive's ability to function as Chief Executive Officer, or (B) the Company reduces Executive's then current Base Salary or target annual incentive award under the Company's annual cash incentive bonus plan (in each case, other than as part of an across-the-board reduction applicable to all "executive officers" of the Company), or (C) the Company fails to perform or breaches its obligations under any other material provision of this Agreement, or (D) Executive's primary location of business is moved by more than 50 miles (other than a relocation to New York, New York based on management's decision, made after Board consultation, provided that Executive receives from the Company reimbursement of all customary and reasonable expenses of such relocation, including without limitation temporary living expenses for a period of 6 months), or (E) the Company reduces Executive's title of Chief Executive Officer or removes him, or (F) the Company fails to obtain the assumption in writing of its obligation to perform this Agreement by any successor to all or substantially all of the assets of the Company within 15 days after a merger, consolidation, sale or similar transaction. Prior to terminating for Good Reason, the Executive shall be required to provide the Company with 30 days advanced written notice of his intention to terminate employment for Good Reason, but the Company shall be permitted to cure any events giving rise to such Good Reason during such 30 day period.

7. Section 409A Compliance.

General.

It is intended that this Agreement will comply with Section 409A of the Code and any regulations and guidelines promulgated thereunder (collectively, "Section 409A"), to the extent the Agreement is subject thereto, and the Agreement shall be interpreted on a basis consistent with such intent. Notwithstanding any inconsistent provision of this Agreement, to the extent the Company determines in good faith that (a) one or more of the payments or benefits received or to be received by Executive pursuant to this Agreement in connection with Executive's termination of employment would constitute deferred compensation subject to the rules of Section 409A, and (b) that Executive is a "specified employee" under Section 409A, then only to the extent required to avoid the Executive's incurrence of any

additional tax or interest under Section 409A, such payment or benefit will be delayed until the earlier of Executive's death or the date which is six (6) months after Executive's "separation from service" within the meaning of Section 409A. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), the Executive's right to receive the foregoing payments, to the extent any such payments are not deferred compensation within the meaning of Section 409A of the Code as of July 1, 2021, shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment shall at all times be considered a separate and distinct payment. Anything in this Agreement to the contrary notwithstanding, the terms of this Agreement shall be interpreted and applied in a manner consistent with the requirements of Section 409A and the regulations promulgated thereunder so as not to subject the Executive to the payment of any tax penalty or interest which may be imposed by Section 409A of the Code and the Company shall have no right to accelerate or make any payment under this Agreement except to the extent such action would not subject the Executive to the payment of any tax penalty or interest under Section 409A. The Company and the Executive agree to negotiate in good faith to reform any provisions of this Agreement to maintain to the maximum extent practicable the original intent of the applicable provisions without violating the provisions of Section 409A, if the Company deems such reformation necessary or advisable pursuant to guidance under Section 409A to avoid the incurrence of any such interest and penalties. Such reformation shall not result in a reduction of the aggregate amount of payments or benefits under this Agreement, nor the obligation of the Company to pay interest on any payments delayed for the purposes of avoiding a violation of Section 409A.

Reimbursements.

Any reimbursements made or in-kind benefits provided under this Agreement shall be subject to the following conditions: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided in any one taxable year of the Executive shall not affect the amount of expenses eligible for reimbursement or in-kind benefits provided in any other taxable year of the Executive and the amount of expenses eligible for reimbursement shall be limited to expenses actually incurred; (ii) the reimbursement of any expense shall be made each calendar quarter but not later than the last day of the Executive's taxable year following the Executive's taxable year in which the expense was incurred (unless this Agreement specifically provides for reimbursement by an earlier date); and (iii) the right to reimbursement of an expense or payment of an in-kind benefit shall not be subject to liquidation or exchange for another benefit. In addition, with respect to any reimbursement made for expenses for COBRA continuation coverage purchased by the Executive, it is intended that any such reimbursements shall be exempt from Section 409A of the Code pursuant to Section 1.409A-1(b)(9)(v)(B) of the Regulations. The Executive's right to reimbursements under this Agreement shall be treated as a right to a series of separate payments under Section 1.409A-2(b)(2)(iii) of the Regulations.

Exemptions.

It is intended that payments made under this Agreement due to the Executive's termination of employment which are paid on or before the 15th day of the third month following the end of the Executive's taxable year in which his termination of employment occurs shall be exempt from compliance with Section 409A of the Code pursuant to the exemption for short-term deferrals set forth in Section 1.409A-1(b)(4) of the Regulations (the "Exempt Short-Term Deferral Payments"); and that payments under this Agreement, other than Exempt Short-Term Deferral Payments, that are made on or before the last day of the second taxable year following the taxable year in which the Executive terminates employment in an

aggregate amount not exceeding two times the lesser of: (i) the sum of the Executive's annualized compensation based on his annual rate of pay for the taxable year preceding the taxable year in which he terminates employment (adjusted for any increase during that year that was expected to continue indefinitely if he had not terminated employment); or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which the Executive terminates employment shall be exempt from compliance with Section 409A of the Code pursuant to the exception for payments under a separation pay plan as set forth in Section 1.409A-1(b)(9)(iii) of the Treasury Regulations. If, under the terms of this Agreement, it is possible for a payment that is subject to Section 409A to be made in two separate taxable years, payment shall be made in the later taxable year.

No Mitigation; No Offset.

Executive will have no obligation to seek other employment or to otherwise mitigate the Company's obligations to Executive arising from the termination of Executive's employment, and no amounts paid or payable to Executive by the Company under this Agreement shall be subject to offset for any remuneration in which Executive may become entitled from any other source after Executive's employment with the Company terminates, whether attributable to subsequent employment, self-employment or otherwise except that subsequent employment with an employer providing employee welfare benefit plans shall result in an offset against employee welfare benefits payable by the Company hereunder to the extent of the benefits paid by the new employer.

9. Confidential Information: Cooperation with Regard to Litigation.

Nondisclosure of Confidential Information.

During Executive's employment and thereafter, Executive will not, without the prior written consent of the Company, disclose to anyone (except in good faith in the ordinary course of business of the Company to a person who, to Executive's knowledge, is obligated to keep such information confidential) or make use of any Confidential Information (as defined below) except in the performance of Executive's duties hereunder or when required to do so by legal process, by any governmental agency having supervisory authority over the business of the Company or any of its Affiliates (as defined below) or by any administrative or legislative body (including a committee thereof) that requires Executive to divulge, disclose or make accessible such information. If Executive is so ordered, to divulge Confidential Information, he will give prompt written notice to the Company in order to allow the Company the opportunity to object to or otherwise resist such order.

Definition of Confidential Information.

For purposes of this Agreement, "Confidential Information" means information concerning the business of the Company or any corporation or other entity that, directly or indirectly, controls, is controlled by or under common control with the Company (an "Affiliate") relating to any of its or their products, product development, trade secrets, customers, suppliers, employees, employee lists, employee skills and information and any other information relating thereto, finances, business plans and strategies. Excluded from the definition of Confidential Information is information (1) that is or becomes part of the public domain, other than through the breach of this Agreement by Executive or (2) regarding the Company's business or industry properly acquired by Executive in the course of Executive's career as an executive in the Company's industry and independent of Executive's employment by the Company. For this purpose, information known or available generally within

the trade or industry of the Company or any Affiliate shall be deemed to be known or available to the public and not to be Confidential Information.

Exceptions.

Notwithstanding Executive's obligation not to directly or indirectly disclose or use Confidential Information as outlined in Section 9(a) above, Executive has the right, without notice to or authorization of the Company, to communicate and cooperate in good faith with any self-regulatory organization or U.S. federal, state, or local governmental or law enforcement branch, agency, commission, or entity (collectively, a "Government Entity") for the purpose of (i) reporting a possible violation of any U.S. federal, state, or local law or regulation, (ii) participating in any investigation or proceeding that may be conducted or managed by any Government Entity, including by providing documents or other information, or (iii) filing a charge or complaint with a Government Entity, provided that in each case, such communications, participation, and disclosures are consistent with applicable law. Additionally, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Executive files a lawsuit for retaliation by an employer for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order. Notwithstanding the foregoing, under no circumstance will Executive be authorized to disclose any Confidential Information as to which the Company may assert protections from disclosure under the attorney-client privilege or the attorney work product doctrine, without prior written consent of Company's General Counsel or other authorized officer designated by the Company.

Cooperation in Litigation.

Executive will cooperate with the Company, during Executive's employment (and following Executive's termination of employment for any reason for a period of two years thereafter), by making Executive reasonably available to testify on behalf of the Company or any Affiliate in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and to reasonably assist the Company or any such Affiliate in any such action, suit, or proceeding by providing information and meeting and consulting with the Board or its representatives or counsel, or representatives or counsel to the Company or any such Affiliate, as reasonably requested; provided, however, that the same does not materially interfere with Executive's then current professional activities. The Company will reimburse Executive for all expenses reasonably incurred by Executive in connection with Executive's provision of testimony or assistance (including the fees of any counsel that may be retained by Executive). In addition, if such assistance is provided after Executive's termination of employment, the Company will pay Executive a per diem rate of \$2,000.

10. Nonsolicitation. Executive shall not use Confidential Information to induce or solicit, directly or indirectly, any employee of or consultant to the Company or any Affiliate to terminate such person's employment or consulting engagement with the Company or any Affiliate during Executive's employment under this Agreement and for a period of 12 months following the termination of Executive's employment.

Remedies.

If Executive commits a material breach of any of the provisions contained in Sections 9 and 10 above, then the Company will have the right to seek injunctive relief to the fullest extent not prohibited by law. Executive acknowledges that such a breach of Section 9 or 10 could cause irreparable injury and that money damages may not provide an adequate remedy for the Company. Nothing contained herein will prevent Executive from contesting any such action by the Company, among other reasons, on the ground that no violation or threatened violation of either such Section has occurred.

Resolution of Disputes.

Any controversy or claim arising out of or relating to this Agreement or any breach or asserted breach hereof or questioning the validity and binding effect hereof arising under or in connection with this Agreement, other than seeking injunctive relief under Section 11, shall be resolved by binding arbitration, to be held in Los Angeles, California in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All costs and expenses of any arbitration or court proceeding (including fees and disbursements of counsel) shall be borne by the respective party incurring such costs and expenses, but the Company shall reimburse Executive for all reasonable costs and expenses by Executive if Executive substantially prevails in such arbitration or court proceeding. Notwithstanding the foregoing, if any applicable law requires different or additional rules or procedures to be applied in order for this Agreement to arbitrate to be enforceable, or prohibits any expense allocation provided herein, such rules or procedures shall take precedence and such prohibitions shall be a part of this Agreement to the extent necessary to render this Agreement enforceable.

13. Indemnification.

Company Indemnity and Insurance.

If Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a “Proceeding”), by reason of the fact that he is or was a director, officer or employee of the Company or any Affiliate or was serving at the request of the Company or any Affiliate as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether or not the basis of such Proceeding is Executive’s alleged action in an official capacity while serving as a director, officer, member, employee or agent, then the Company will indemnify Executive and hold Executive harmless to the fullest extent legally permitted or authorized by the Company’s articles of incorporation, certificate of incorporation or bylaws or resolutions of the Company’s Board to the extent not inconsistent with state laws, against all costs, expense, liability and loss (including, without limitation, attorney’s fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by Executive in connection therewith, except to the extent attributable to Executive’s gross negligence or fraud, and such indemnification shall continue as to Executive even if he has ceased to be a director, member, officer, employee or agent of the Company or Affiliate and shall inure to the benefit of Executive’s heirs, executors and administrators. The Company will advance to Executive all reasonable costs and expenses to be incurred by Executive in connection with a Proceeding within 20 days after receipt by the Company of a written request for such advance. Such request shall include an undertaking by Executive to repay the amount of such advance if it shall ultimately be determined that he is not

entitled to be indemnified against such costs and expenses. The provisions of this section shall not be deemed exclusive of any other rights of indemnification to which Executive may be entitled or which may be granted to Executive and shall be in addition to any rights of indemnification to which he may be entitled under any policy of insurance.

No Presumption Regarding Standard of Conduct.

Neither the failure of the Company (including its Board, independent legal counsel or shareholders) to have made a determination prior to the commencement of any proceeding concerning payment of amounts claimed by Executive under the preceding subsection (a) of this section that indemnification of Executive is proper because Executive has met the applicable standard of conduct, nor a determination by the Company (including its Board, independent legal counsel or shareholders) that Executive has not met such applicable standard of conduct, shall create a presumption that Executive has not met the applicable standard of conduct.

Liability Insurance.

The Company will continue and maintain a directors and officers liability insurance policy covering Executive to the extent the Company provides such coverage for its other senior executive officers.

Effect of Agreement on Other Benefits.

Except as specifically provided in this Agreement, the existence of this Agreement shall not be interpreted to preclude, prohibit or restrict Executive's participation in any other employee benefit or other plans or programs in which he currently participates.

Expenses of Counsel for Executive.

The Company and Executive will each bear their own respective legal and other expenses incurred in connection with the negotiation, execution and delivery of this Agreement; provided, however, that the Company shall reimburse the reasonable legal fees and expenses then incurred by Executive up to a maximum of \$15,000 in the aggregate for all such expenses.

Assignment; Binding Nature.

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs (in the case of Executive) and permitted assigns. No rights or obligations of the Company under this Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred to the successor of the Company or its business if the assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. No rights or obligations of Executive under this Agreement may be assigned or transferred by Executive other than Executive's rights to compensation and benefits, which may be transferred only by will or operation of law, except as otherwise specifically provided or permitted hereunder.

Representations.

The Company represents and warrants that it is fully authorized and empowered to enter into this Agreement and that the performance of its obligations under this Agreement will not violate any Agreement between it and any other person, firm or organization. Executive represents and warrants that there is no legal or other impediment which would prohibit Executive from entering into this Agreement or which would prevent Executive from fulfilling Executive's obligations under this Agreement.

Entire Agreement.

This Agreement contains the entire understanding and agreement between the parties concerning the subject matter hereof and supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the parties with respect thereto. This Agreement supersedes the Prior Agreement in its entirety and the Prior Agreement shall be of no further force and effect.

Amendment or Waiver.

No provision in this Agreement may be amended unless such amendment is agreed to in writing and signed by Executive and an authorized officer of the Company. Except as set forth herein, no delay or omission to exercise any right, power or remedy accruing to any party shall impair any such right, power or remedy or shall be construed to be a waiver of or an acquiescence to any breach hereof. No waiver by either party of any breach by the other party of any condition or provision contained in this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by Executive or an authorized officer of the Company, as the case may be.

Severability.

In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent not prohibited by law.

Survivorship.

The respective rights and obligations of the parties hereunder shall survive any termination of Executive's employment to the extent necessary to the intended preservation of such rights and obligations (including as set forth in Section 2).

Beneficiaries/References.

Executive shall be entitled, to the extent permitted under any applicable law, to select and change a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following Executive's death by giving the Company written notice thereof. In the event of Executive's death or a judicial determination of Executive's incompetence, reference in this Agreement to Executive shall be deemed, where appropriate, to refer to Executive's beneficiary, estate or other legal representative.

Governing Law.

This Agreement shall be governed by and construed and interpreted in accordance with the laws of California without reference to principles of conflict of laws.

Counterparts and Facsimile.

This Agreement may be executed in any number of counterparts, each such counterpart shall be deemed to be an original instrument, and all such counterparts together shall constitute but one agreement. Any such counterpart may contain one or more signature pages. A copy of this Agreement executed by any party and transmitted by pdf or facsimile shall be binding upon the parties as if executed and delivered in person.

Withholding.

The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

Resignation as an Officer and Director.

Upon any termination of Executive's employment, Executive shall be deemed to have resigned, to the extent applicable, as an officer

of the Company and any of its Affiliates, as a member of the Board and of the board of directors of any of the Company's Affiliates and as a fiduciary of any Company or Affiliate benefit plan. On or immediately following the date of any termination of Executive's employment, if so requested by the Company, Executive shall confirm the foregoing by submitting to the Company a written confirmation of Executive's resignations.

Notices.

Any notice given to a party shall be in writing and shall be deemed to have been given when delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address of the party indicated below or to such changed address as such party may subsequently give such notice of:

If to the Company:

KORN FERRY
1900 Avenue of the Stars, Suite 2600
Los Angeles, CA 90067
Attention: General Counsel

If to Executive: at his last address shown on the payroll
records of the Company

IN WITNESS WHEREOF, the undersigned have executed this Employment Agreement on the date first above written.

The Company:

KORN FERRY

/s/ Jerry Leamon

By: Jerry Leamon
Its: Chair of the Compensation and Personnel Committee
of its Board of Directors

Executive:

GARY BURNISON

/s/ Gary Burnison

SCHEDULE A

DEFINITION OF CHANGE IN CONTROL

For purposes of the foregoing Agreement, a “Change in Control” shall mean any of the following:

- (a) an acquisition by any Person (excluding one or more Excluded Persons) of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) or a pecuniary interest (as defined in Section 16a-1(a)(2) of the Exchange Act) in (either comprising “ownership of”) more than 50% of the Common Stock of the Company or voting securities entitled to then vote generally in the election of directors (“Voting Stock”) of the Company, after giving effect to any new issue in the case of an acquisition from the Company; or
- (b) consummation of a merger, consolidation, or reorganization of the Company or of a sale or other disposition of all or substantially all of the Company’s consolidated assets as an entirety (collectively, a “Business Combination”), other than a Business Combination (1) in which all or substantially all of the holders of Voting Stock of the Company hold or receive directly or indirectly 50% or more of the Voting Stock of the entity resulting from the Business Combination (or a parent company), and (2) after which no Person (other than any one or more of the Excluded Persons) owns more than 50% of the Voting Stock of the resulting entity (or a parent company) who did not own directly or indirectly at least that percentage of the Voting Stock of the Company immediately before the Business Combination, and (3) after which one or more Excluded Persons own an aggregate amount of Voting Stock of the resulting entity owned by any Persons who (i) own more than 5% of the Voting Stock of the resulting entity, (ii) are not Excluded Persons, (iii) did not own directly or indirectly at least the same percentage of the Voting Stock of the Company immediately before the Business Combination, and (iv) in the aggregate own more than 50% of the Voting Stock of the resulting entity; or
- (c) consummation of the dissolution or complete liquidation of Korn Ferry; or
- (d) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new directors (excluding any new director designated by a person who has entered into an agreement or arrangement with Korn Ferry to effect a transaction described in clause (a) or (b) of this definition) whose appointment, election, or nomination for election was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose appointment, election or nomination for election was previously so approved (all such directors, “Incumbent Directors”), cease for any reason to constitute a majority of the Board; provided that for purposes of this clause (d), any directors elected at any time during 1999 shall be deemed to be Incumbent Directors.

Notwithstanding the above provisions in this Schedule A, no Change in Control shall be deemed to have occurred if a Business Combination, as described in paragraph (b) above, is effected and a majority of the Incumbent Directors, through the adoption of a Board resolution, determines that, in substance, no Change in Control has occurred.

The “Company” means Korn Ferry, a Delaware corporation, its successors, and/or its Subsidiaries, as the context requires.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Excluded Person” means

- (i) the Company or any Subsidiary; or
- (ii) any person described in and satisfying the conditions of Rule 13d-1(b)(1) under the Exchange Act; or
- (iii) any employee benefit plan of the Company; or
- (iv) any affiliates (within the meaning of the Exchange Act), successors, or heirs, descendants or members of the immediate families of the individuals identified in part (ii) of this definition.

“Person” means an organization, a corporation, an individual, a partnership, a trust or any other entity or organization, including a governmental entity and a “person” as that term is used under Section 13(d) or 14(d) of the Exchange Act.

ATTACHMENT I
EXCLUSIVE COMPETITOR LIST

1. Alexander Mann Solutions
 2. Bain & Company
 3. Boston Consulting Group (BCG)
 4. Deloitte Consulting
 5. Egon Zehnder International
 6. Ernst & Young Consulting
 7. Heidrick and Struggles
 8. KPMG
 9. LinkedIn
 10. McKinsey & Company
 11. Mercer
 12. People Scout /True Blue
 13. PricewaterhouseCoopers (PWC)
 14. Robert Half
 15. Russell Reynolds Associates
 16. Spencer Stuart
 17. Willis Towers Watson
 18. Aon plc
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EXHIBIT 1

FORM OF AGREEMENT TO PROTECT CONFIDENTIAL INFORMATION

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into this June 28, 2021 by and between KORN FERRY, a Delaware corporation with its principal offices in Los Angeles, California (the "Company"), and ROBERT ROZEK, an individual (the "Executive"). The parties previously entered into an Employment Agreement dated as of February 6, 2012, as amended by that Amendment to Employment Agreement dated as of December 28, 2015 and Letter Agreements dated as of April 14, 2020 and July 8, 2020 (collectively, the "Prior Agreement"). This Agreement is an amendment and complete restatement, and supersedes in the entirety, the Prior Agreement.

Employment.

Subject to Section 2, the Company agrees to continue to employ Executive and Executive agrees to be so employed by the Company, without interruption, upon the terms and conditions set forth in this Agreement.

Term.

The term of Executive's employment under this Agreement shall continue hereunder until terminated in accordance with the terms of this Agreement (the "Term"). The Executive's employment shall be on an at-will basis. The Company may terminate the Term and Executive's employment, with or without Cause, for any reason or no reason and with or without advance notice, subject to compliance with this Agreement. Executive may terminate the Term and his employment at any time, for any or no reason, with or without Good Reason upon ninety (90) days (or thirty (30) days in the case of termination for Good Reason) advance written notice to the Company, subject to compliance with this Agreement.

Position, Duties and Responsibilities.

Executive will serve as Executive Vice President, Chief Financial Officer and Chief Corporate Officer with duties and responsibilities customary to such offices and shall report to the Company's Chief Executive Officer (the "CEO"). At the request of the CEO, Executive will serve as an officer or director of the Company's subsidiaries and other affiliates without additional compensation. Executive will devote substantially all of Executive's business time and attention to the performance of Executive's obligations, duties and responsibilities under this Agreement. Subject to Company policies applicable to senior executives generally, and with the specific approval of the Company's Chief Executive Officer, Executive may engage in personal, charitable, professional and investment activities, including serving on the board of directors of other companies or entities, to the extent such activities do not conflict or interfere with Executive's obligations to, or Executive's ability to perform the normal duties and functions of Executive pursuant to this Agreement. Executive shall be subject to, and comply with, all Company policies covering him, including, without limitation, the Company's clawback policy as in effect from time to time.

Compensation.

In consideration of Executive's services to the Company pursuant to this Agreement, Executive's compensation during the Term shall be as follows:

Base Salary.

Effective July 1, 2021, Executive shall be entitled to receive a base salary of \$52,083.33 per month (his "Base Salary") (\$625,000 on an annualized basis, his "Annual Base Salary"), paid in accordance with the Company's regular payroll practices. The Board and/or the Compensation and Personnel Committee of the Board (the "Compensation Committee"), acting in its discretion, may increase Executive's Base Salary at any time, but such

Base Salary may not be decreased unless the Board and/or the Compensation Committee implements an across-the-board reduction in compensation for all “named executive officers” of the Company (as defined under Item 402 of Regulation S-K and to the extent employed by the Company at that time), in which case Executive’s compensation shall be ratably reduced.

Annual Cash Incentive Award.

Executive will participate in the Company’s annual cash incentive plan established for senior executives with an annual target cash award equal to 120% of the Annual Base Salary, with the ability to earn up to a maximum cash award equal to 240% of the Annual Base Salary. Executive’s annual cash incentive award will be payable at such time as annual cash incentive awards are paid to executive officers generally, but not later than 120 days after the end of the fiscal year for which such award is earned. The annual performance targets for the cash award shall be set by the Board and/or the Compensation Committee.

Equity Incentive Program.

Executive shall be awarded, subject to the approval of the Compensation Committee, equity incentives with respect to shares of the Company’s common stock (“Shares”), which shall be granted under the Korn Ferry Fourth Amended and Restated 2008 Stock Incentive Plan, as the same may be amended from time to time (or a successor plan). Such annual equity incentives shall be awarded at the same time annual equity grants are awarded to the Company’s other executive officers, beginning with grants following the end of the Company’s 2021 fiscal year. The terms of any equity incentives granted shall be set by the Compensation Committee in its discretion based on the performance of the Company and Executive.

5. Employee Benefit Programs and Perquisites.

General.

Executive will be eligible to participate in such employee benefit plans, arrangements and programs maintained by the Company from time to time for the benefit of its senior executives generally.

Reimbursement of Business Expenses.

Executive is authorized to incur and be reimbursed for reasonable expenses in accordance with the Company’s written policy in carrying out Executive’s duties and responsibilities under this Agreement. All reimbursements provided under this Agreement shall be subject to the conditions set forth in Section 7(b) .

6. Termination of Employment. The following terms shall govern (x) the termination of Executive’s employment, whether or not in connection with the occurrence of a Change in Control, and (y) certain of Executive’s obligations following Executive’s termination of employment. For avoidance of doubt, without limiting the applicability of this Section 6, the terms of the Agreement shall not take precedence or control over, or otherwise limit or restrict, any policies or procedures of the Company, including but not limited to the Company’s Code of Business Conduct and Ethics and the Company’s standard form of Agreement to Protect Confidential Information, an executed version of which is attached hereto as Exhibit 1.

Death; Disability.

If Executive’s employment with the Company terminates by reason of Executive’s death or of Executive’s Disability, then the Company will pay to Executive’s estate, in the case of Executive’s death, or to Executive or his guardian, in the

case of Executive's Disability, Executive's Accrued Compensation within 30 days after the Executive's termination (with the payment date during such 30 day period to be determined by the Company in its sole discretion, except as required by applicable law), and all outstanding equity incentive awards held by Executive (but expressly excluding any performance-based restricted stock unit awards and other performance-based equity compensation awards (collectively, the "Performance Shares") and Executive's benefits, if any, under the Executive Capital Accumulation Plan) at the time of Executive's death or Disability will become fully vested and, to the extent applicable, shall remain exercisable until the earlier of (A) the date that is two (2) years after the date of Executive's death or termination due to Disability or (B) its originally scheduled expiration date. Additionally, Executive or Executive's guardian or estate, as the case may be, shall be entitled to a pro rata portion of Executive's target annual cash incentive award established for the fiscal year in which Executive's employment terminates due to death or Disability (based on the proportion that the number of days of Executive's actual service to the Company during such fiscal year bears to the number of days in such fiscal year). Executive or Executive's guardian or estate, as the case may be, shall also be entitled to receive the number of Performance Shares that would have been earned if Executive had served the Company for the entire performance period applicable to any Performance Shares (the "Performance Period") and the Company's performance during such period had been the target performance for the Performance Period. To the extent Executive and/or Executive's covered dependent(s) continue to participate in the Company's group health plan(s) pursuant to COBRA after Executive's death or termination of employment by reason of Disability, unless prohibited by applicable law, the Company will provide reimbursement of COBRA coverage premiums in accordance with the provisions of Section 7 paid by Executive and/or Executive's covered dependent(s) so that Executive and/or any such covered dependent(s) enjoy coverage at the same benefit level and to the same extent and, in the case of death, at no out-of-pocket cost to Executive and/or Executive's covered dependents and, in the case of Disability, for the same effective contribution, if any, as participation is available to other executive officers of the Company, for as long as such coverage is required to be made available under COBRA.

Termination by the Company for Cause or Voluntary Termination by Executive.

- (1) If (i) the Company terminates Executive's employment for Cause, or (ii) Executive voluntarily terminates Executive's employment without Good Reason, then the Company shall pay to Executive his Accrued Compensation through the date Executive's employment terminates within the time period permitted by applicable law.

Termination by the Company Without Cause or by Executive for Good Reason Prior to a Change in Control or More Than 24 Months After a Change in Control.

If Executive's employment is terminated prior to a "Change in Control" (as defined in Schedule A), or more than 24 months after the date on which a Change in Control occurs, (i) by the Company without Cause and for a reason other than Executive's death or Disability, or (ii) by Executive for Good Reason, then the Company shall pay to Executive within 30 days after the Executive's termination (with the payment date during such 30 day period to be determined by the Company in its sole discretion, except as required by applicable law) Executive's Accrued Compensation. The Company shall also pay to Executive a pro rata portion of Executive's annual cash incentive award that Executive would have received for the fiscal year in which Executive's employment terminates (based on the Company's actual performance over the entire year and the number of days of Executive's actual service to the Company during such fiscal

year), which pro rata portion will be payable to Executive at the same time bonuses are paid to executives generally for the applicable fiscal year. The Company shall also provide the following additional payments and benefits:

- (1) The Company shall pay to Executive a cash payment equal to (x) one and one half (1.5) times Executive's then current Annual Base Salary plus (y) one and one quarter (1.25) times Executive's then current target annual cash incentive award, payable in equal monthly installments over a period of twelve (12) months after the date Executive's employment terminates;
- (2) For up to eighteen (18) months after such termination, to the extent Executive and/or Executive's covered dependent(s) continue to participate in the Company's group health plan(s) pursuant to COBRA after Executive's termination of employment, unless prohibited by applicable law, the Company will provide reimbursement of COBRA coverage premiums paid by Executive and Executive's covered dependent(s) so that Executive and Executive's covered dependent(s) enjoy coverage at the same benefit level and to the same extent and for the same effective contribution, if any, as participation is available to other executive officers of the Company.
- (3) Outstanding equity incentive awards held by Executive (other than any Performance Shares) and all of Executive's benefits under the Executive Capital Accumulation Plan and any other time-vesting long term incentive plan at the time of Executive's termination (A) will continue to vest in accordance with their terms (disregarding such termination) and, (B) to the extent applicable, shall remain exercisable until the date that is the earlier of (x) two (2) years after the date Executive's employment terminates (but, two (2) years after the date of vesting if vesting occurs following such termination) and (y) its originally scheduled expiration date; and
- (4) Executive shall receive a number of Performance Shares and/or a payout under any long-term performance-based cash incentive program (as applicable) equal to the Performance Shares and/or cash award that would have been earned if Executive had served the Company for the entirety of any open performance period at the time of Executive's termination of employment based on the Company's actual performance over the entire performance period, and such Performance Shares and/or cash awards will be payable to Executive at the same time such Performance Shares and/or cash awards are paid to executives generally for the applicable performance period.

Following a Change in Control, Termination by the Company Without Cause or by Executive for Good Reason.

If a Change in Control occurs and, within 24 months after the date on which the Change in Control occurs, Executive's employment is terminated (i) by the Company without Cause or (ii) by Executive for Good Reason, then the Company shall pay to Executive within 30 days after the Executive's termination (with the payment date during such 30 day period to be determined by the Company in its sole discretion, except as required by applicable law) Executive's Accrued Compensation. The Company shall also pay Executive a pro rata portion of Executive's annual cash incentive award that Executive would have received for the fiscal year in which Executive's employment terminates based on the following: (1) an assumption that all performance goals are achieved at the target level of performance and (2) the

number of days of Executive's actual service to the Company during such fiscal year, which pro rata portion will be payable to Executive within 60 days after the Executive's termination, and

- (1) the Company shall pay to Executive, in the aggregate, a cash payment equal to the sum of two and one-half (2.5) times Executive's then current Annual Base Salary and two and one-half (2.5) times Executive's target bonus, payable in equal monthly installments over a period of twelve (12) months after the date Executive's employment terminates;
- (2) for up to eighteen (18) months after such termination, to the extent Executive and/or Executive's covered dependent(s) continue to participate in the Company's group health plan(s) pursuant to COBRA after Executive's termination of employment, unless prohibited by applicable law, the Company will provide reimbursement of COBRA coverage premiums paid by Executive and Executive's dependent(s) so that Executive and Executive's covered dependent(s) enjoy coverage at the same benefit level and to the same extent and for the same effective contribution, if any, as participation is available to other executive officers of the Company; for the six (6) months thereafter, if continuing coverage under the Company's group health plan(s) is not available under COBRA, upon the written request of Executive at any time prior to or during such six (6) month period, the Company will use commercially reasonable efforts to secure continuing coverage for Executive and/or Executive's covered dependent(s) under the Company's group health plan(s), or if such coverage is unavailable, substantially similar coverage through an alternative health plan provider, and in either case, if such coverage is obtained, unless prohibited by applicable law, the Company will reimburse Executive and Executive's covered dependent(s) for a portion of the cost of such coverage equal to the amount that the Company would have paid Executive and Executive's covered dependents had Executive and Executive's covered dependent(s) been eligible for COBRA coverage and the Company was obligated to provide reimbursement of COBRA coverage premiums paid by Executive and Executive's dependent(s) so that Executive and Executive's covered dependent(s) could enjoy coverage at a substantially similar benefit level and for the same effective contribution, if any, as participation is available to other executive officers of the Company;
- (3) all outstanding equity incentive awards held by Executive and all of Executive's benefits under the Executive Capital Accumulation Plan and any other time-vesting long term incentive plan at the time of Executive's termination (but expressly excluding any Performance Shares) will become fully vested and, to the extent applicable, shall remain exercisable until the date that is the earlier of (x) two (2) years after the date Executive's employment terminates and (y) its originally scheduled expiration date; and
- (4) Executive shall receive a number of Performance Shares and/or a payout under any long-term performance-based cash incentive program (as applicable) equal to the greater of (i) the Performance Shares and/or cash award that would have been earned if Executive had served the Company for the entirety of any open performance period at the time of Executive's termination of employment and the Company's performance during such period had been (x) the Company's actual performance through the date of the Change in Control and (y) at the target level for the period subsequent to the Change in Control, and (ii) the Performance Shares and/or cash award that would have been earned if Executive had served the Company for the entirety of any open performance period at the time of Executive's termination of

employment and the Company's performance during such period had been at the target level of performance for the entire performance period .

(e) Retirement. In the event that Executive ends his employment after reaching Retirement, then the Company shall pay to Executive his Accrued Compensation through the date Executive's employment terminates within the time period permitted by applicable law. For purposes of this Section 6(e), "Retirement" shall be defined as the sum of Executive's age (expressed in terms of whole years) and duration of Executive's employment with the Company (also expressed in terms of whole years), which sum must equal or exceed 75. In addition, subject to Executive providing at least six (6) months' written notice prior to terminating due to Retirement and Executive meeting the conditions set forth in Section 6(h) below, Executive's outstanding stock awards that have been outstanding for more than 90 days at the time of Executive's Retirement shall be treated as follows:

(1) Such outstanding equity incentive awards held by Executive (other than any Performance Shares) and all of Executive's benefits under the Executive Capital Accumulation Plan and any other time-vesting long term incentive plan at the time of Executive's Retirement (A) will continue to vest in accordance with their terms (disregarding such termination of employment) and, (B) to the extent applicable, shall remain exercisable until the date that is the earlier of (x) two (2) years after the date of Executive's Retirement occurs and (y) its originally scheduled expiration date; and

(2) Executive shall receive a number of Performance Shares and/or a payout under any long-term performance-based cash incentive program (as applicable) equal to the Performance Shares and/or cash award that would have been earned if Executive had served the Company for the entirety of any open performance period at the time of Executive's Retirement based on the Company's actual performance over the entire performance period and such Performance Shares and/or cash awards will be payable to Executive at the same time such Performance Shares and/or cash awards are paid to executives generally for the applicable performance period.

Other Programs

Except as otherwise provided in this Agreement, Executive's entitlements under applicable plans and programs of the Company following termination of Executive's employment will be determined under the terms of those plans and programs.

Section 4999 "Golden Parachute" Payments.

Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment, award, benefit or distribution (or any acceleration of any payment, award, benefit or distribution) by the Company (or any of its affiliated entities) or any entity which effectuates a Change in Control (or any of its affiliated entities) to or for the benefit of Executive (whether pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), or interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then such Payments shall either (a) be delivered in full, or (b) subject to, and in a manner consistent with the requirements of Section 409A of the Code, be reduced to the minimum extent necessary to ensure that no

portion thereof will be subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state or local income and employment taxes and the Excise Tax, results in receipt by Executive, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to the Excise Tax. In the event that any Payments are to be reduced pursuant to this Section 6(g), then the reduction shall be applied as follows: (i) first, on a pro rata basis to Executive's cash severance payments and his pro rata annual cash incentive award payment for the year of termination, (ii) second, on a pro rata basis to Executive's equity incentive awards and (iii) third, to Executive's benefits under the Executive Capital Accumulation Plan. The determinations to be made with respect to this Section 6(g) shall be made by a qualified accounting or legal professional firm (the "Tax Professional") jointly selected by the Company and Executive and paid by the Company. The Tax Professional shall be a nationally recognized United States public accounting or law firm. If Executive and the Company cannot agree on the firm to serve as the Tax Professional, then Executive and the Company shall each select one such firm and those two firms shall jointly select such a different firm to serve as the Tax Professional. Absent manifest error, the determinations by the Tax Professional shall be binding upon the Company and Executive.

Conditions to Receipt of Benefits Under Section 6.

Notwithstanding anything in this Agreement to the contrary, other than the payment of Executive's Accrued Compensation through the date of termination of Executive's employment, Executive shall not be entitled to any termination payments or benefits under this Section 6 (including continued vesting of equity awards under Section 6(e)), unless and until Executive (or the representative of Executive's estate, in the case of termination due to Executive's death) executes and delivers to the Company, within forty-five (45) days of the date of termination of Executive's employment, a unilateral general release of all known and unknown claims against the Company and its officers, directors, employees, agents and affiliates in a form acceptable to the Company as set forth in Exhibit 2 attached hereto, other than enforcement of any payments or benefits due under Section 6 of this Agreement and other than with respect to vested rights provided under any compensation or benefit plan or rights to indemnification under any Company document or applicable law and such release becomes fully effective and irrevocable under applicable law. Additionally, since Executive's satisfaction of the obligations set forth in this sentence are a condition precedent to Executive's rights to receive the additional benefits set forth in this Section 6, Executive shall not be entitled to termination payments and benefits under this Section 6 (including continued vesting of equity awards under Section 6(e)) on or after the date, if any, during the twelve (12) months following the date Executive's employment terminates (the "Restricted Period"), that Executive breaches or otherwise fails to comply with any of Executive's obligations under Section 9(a) or Section 10 under this Agreement. Executive agrees to notify the Company of each employment or consulting engagement he accepts during the Restricted Period (including the name and address of the hiring party) and will, upon request by the Company, describe in reasonable detail the nature of his duties in each such position. Executive acknowledges that any violation of the foregoing restrictions would cause the Company irreparable harm and the payments and benefits to be provided under Section 6 are being provided in exchange for his compliance with the foregoing restrictions during the Restricted Period.

Certain Definitions.

For purposes of this Agreement, the following terms shall have the meanings set forth herein:

- (1) “Accrued Compensation” means, as of any date, the amount of any unpaid Base Salary and annual cash incentive award earned by Executive through the date of Executive’s death or the termination of Executive’s employment (it being understood and agreed that no portion of the annual cash incentive award described in Section 4(b) payable in respect of a fiscal year shall be deemed earned unless Executive was employed with the Company as of the last day of such fiscal year).
- (2) “Cause” shall mean (a) conviction of any felony or other crime involving fraud, dishonesty or acts of moral turpitude or pleading guilty or nolo contendere to such charges, but excluding in any event, vicarious liability or motor vehicle infractions, or (b) reckless or willful behavior or conduct done in bad faith that causes or is reasonably likely to cause the Company material harm or injury or exposes or is reasonably likely to expose the Company to any material civil, criminal or administrative liability, or (c) any material misrepresentation or false statement made by Executive in any application for employment, employment history, resume or other document submitted to the Company, either before, during or after employment.
- (3) “Disability” means any physical or mental condition or impairment which prevents Executive from performing the principal functions of Executive’s duties with the Company that can be expected to result in death or that has lasted or can be expected to last for a period of 90 consecutive days or for shorter periods aggregating 180 days in any consecutive 12 month period, with such determination to be based in part on the medical assessment of an approved medical doctor. For this purpose, an approved medical doctor shall mean a medical doctor selected by the Company and Executive. If the parties cannot agree on a medical doctor, each party shall select a medical doctor and the two doctors shall select a third medical doctor who shall be the approved medical doctor for this purpose.
- (4) Executive shall be deemed to have “Good Reason” to terminate his employment hereunder if, without Executive’s prior written consent, (A) the Company materially reduces Executive’s title, duties or responsibilities as Chief Financial Officer and Chief Corporate Officer, or removes him from either or both positions, (B) the Company reduces Executive’s then current Base Salary or target award opportunity under the Company’s annual cash incentive compensation program (in each case, other than as part of an across-the-board reduction applicable to all “named executive officers” of the Company (as defined under Item 402 of Regulation S-K and to the extent employed by the Company at that time)), or (C) Executive’s primary location of business is moved by more than 50 miles (other than in connection with a move of the Company’s corporate headquarters). Prior to terminating for Good Reason, the Executive shall be required to provide the Company with 30 days advance written notice of his intention to terminate employment for Good Reason, but the Company shall be permitted to cure any events giving rise to such Good Reason during such 30 day period, after which, if such event remains uncured, the Executive’s employment must terminate within 30 days.

7. Section 409A Compliance.

General.

Notwithstanding any inconsistent provision of this Agreement, to the extent the Company determines in good faith that (a) one or more of the payments or

benefits received or to be received by Executive pursuant to this Agreement in connection with Executive's termination of employment would constitute deferred compensation subject to the rules of Internal Revenue Code Section 409A ("Section 409A"), and (b) that Executive is a "specified employee" under Section 409A, then only to the extent required to avoid the Executive's incurring any additional tax or interest under Section 409A, such payment or benefit will be delayed until the earlier of Executive's death or the date which is six (6) months after Executive's "separation from service" within the meaning of Section 409A. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), the Executive's right to receive the foregoing payments shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment shall at all times be considered a separate and distinct payment. Anything in this Agreement to the contrary notwithstanding, the terms of this Agreement shall be interpreted and applied in a manner consistent with the requirements of Section 409A and the regulations promulgated thereunder so as not to subject the Executive to the payment of any tax penalty or interest which may be imposed by Section 409A of the Code and the Company shall have no right to accelerate or make any payment under this Agreement except to the extent such action would not subject the Executive to the payment of any tax penalty or interest under Section 409A.

Reimbursements.

Any reimbursements made or in-kind benefits provided under this Agreement shall be subject to the following conditions: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided in any one taxable year of the Executive shall not affect the amount of expenses eligible for reimbursement or in-kind benefits provided in any other taxable year of the Executive and the amount of expenses eligible for reimbursement shall be limited to expenses actually incurred; (ii) the reimbursement of any expense shall be made each calendar quarter but not later than the last day of the Executive's taxable year following the Executive's taxable year in which the expense was incurred (unless this Agreement specifically provides for reimbursement by an earlier date); and (iii) the right to reimbursement of an expense or payment of an in-kind benefit shall not be subject to liquidation or exchange for another benefit. In addition, with respect to any reimbursement made for expenses for COBRA continuation coverage purchased by the Executive, it is intended that any such reimbursements shall be exempt from Section 409A of the Code pursuant to Section 1.409A-1(b)(9)(v)(B) of the Regulations. The Executive's right to reimbursements under this Agreement shall be treated as a right to a series of separate payments under Section 1.409A-2(b)(2)(iii) of the Regulations.

Exemptions.

It is intended that payments made under this Agreement due to the Executive's termination of employment which are paid on or before the 15th day of the third month following the end of the Executive's taxable year in which his termination of employment occurs shall be exempt from compliance with Section 409A of the Code pursuant to the exemption for short-term deferrals set forth in Section 1.409A-1(b)(4) of the Regulations (the "Exempt Short-Term Deferral Payments"); and that payments under this Agreement, other than Exempt Short-Term Deferral Payments, that are made on or before the last day of the second taxable year following the taxable year in which the Executive terminates employment in an aggregate amount not exceeding two times the lesser of: (i) the sum of the Executive's annualized compensation based on his annual rate of pay for the taxable year preceding the taxable year in which he terminates employment (adjusted for any increase during that year that was expected to continue indefinitely if he had not terminated employment); or (ii) the maximum

amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which the Executive terminates employment shall be exempt from compliance with Section 409A of the Code pursuant to the exception for payments under a separation pay plan as set forth in Section 1.409A-1(b)(9)(iii) of the Treasury Regulations. If, under the terms of this Agreement, it is possible for a payment that is subject to Section 409A to be made in two separate taxable years, payment shall be made in the later taxable year.

No Mitigation; No Offset.

Executive will have no obligation to seek other employment or to otherwise mitigate the Company's obligations to Executive arising from the termination of Executive's employment, and no amounts paid or payable to Executive by the Company under this Agreement shall be subject to offset for any remuneration in which Executive may become entitled from any other source after Executive's employment with the Company terminates, whether attributable to subsequent employment, self-employment or otherwise except that subsequent employment with an employer providing employee welfare benefit plans shall result in an offset against employee welfare benefits payable by the Company hereunder to the extent of the benefits paid by the new employer.

9. Confidential Information; Cooperation with Regard to Litigation.

Nondisclosure of Confidential Information.

During Executive's employment and thereafter, Executive will not, without the prior written consent of the Company, disclose to anyone (except in good faith in the ordinary course of business in the performance of Executive's duties hereunder to a person who, to Executive's knowledge, is obligated to keep such information confidential) or make use of any Confidential Information (as defined below) except in the performance of Executive's duties hereunder or when required to do so by legal process, by any governmental agency having supervisory authority over the business of the Company or any of its Affiliates (as defined below) or by any administrative or legislative body (including a committee thereof) that requires Executive to divulge, disclose or make accessible such information. If Executive is so ordered, to divulge Confidential Information, he will give prompt written notice to the Company in order to allow the Company the opportunity to object to or otherwise resist such order.

Definition of Confidential Information.

(c) For purposes of this Agreement, "Confidential Information" means information concerning the business of the Company or any corporation or other entity that, directly or indirectly, controls, is controlled by or under common control with the Company (an "Affiliate") relating to any of its or their products, product development, trade secrets, customers, suppliers, employees, employee lists, employee skills and information and any other information relating thereto, finances, business plans and strategies. Excluded from the definition of Confidential Information is information (1) that is or becomes part of the public domain, other than through the breach of this Agreement by Executive or (2) regarding the Company's business or industry properly acquired by Executive in the course of Executive's career as an executive in the Company's industry and independent of Executive's employment by the Company. For this purpose, information known or available generally within the trade or industry of the Company or any Affiliate shall be deemed to be known or available to the public and not to be Confidential Information.

Exceptions.

(d) Notwithstanding Executive's obligation not to directly or indirectly disclose or use Confidential Information as outlined in Section 9(a) above, Executive has the right, without notice to or authorization of the Company, to communicate and cooperate in good faith with any self-regulatory organization or U.S. federal, state, or local governmental or law enforcement branch, agency, commission, or entity (collectively, a "Government Entity") for the purpose of (i) reporting a possible violation of any U.S. federal, state, or local law or regulation, (ii) participating in any investigation or proceeding that may be conducted or managed by any Government Entity, including by providing documents or other information, or (iii) filing a charge or complaint with a Government Entity, provided that in each case, such communications, participation, and disclosures are consistent with applicable law. Additionally, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Executive files a lawsuit for retaliation by an employer for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order. Notwithstanding the foregoing, under no circumstance will Executive be authorized to disclose any Confidential Information as to which the Company may assert protections from disclosure under the attorney-client privilege or the attorney work product doctrine, without prior written consent of Company's General Counsel or other authorized officer designated by the Company.

Cooperation in Litigation.

Executive will cooperate with the Company, during Executive's employment (and following Executive's termination of employment for any reason for a period of three years thereafter), by making Executive reasonably available to testify on behalf of the Company or any Affiliate in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and to reasonably assist the Company or any such Affiliate in any such action, suit, or proceeding by providing information and meeting and consulting with the Board or its representatives or counsel, or representatives or counsel to the Company or any such Affiliate, as reasonably requested; provided, however, that the same does not materially interfere with Executive's then current professional activities. The Company will reimburse Executive for all expenses reasonably incurred by Executive in connection with Executive's provision of testimony or assistance (including the fees of any counsel that may be retained by Executive). In addition, if such assistance is provided after Executive's termination of employment, the Company will pay Executive a per diem rate of \$2,000.

Noncompetition and Nonsolicitation.

(a) During Executive's employment under this Agreement and for a period of 12 months following the termination of Executive's employment under this Agreement, Executive shall not, directly or indirectly, (i) own, manage, operate, sell, control or participate in the ownership, management, operation, sales or control of any of the companies set forth on Attachment I hereto; provided that the foregoing shall not be applicable to the ownership of not more than 1% of the publicly traded equity securities of any of the foregoing or to the indirect ownership of any of the foregoing through the ownership of mutual funds; or (ii) request or

advise any of the clients, vendors or other business contacts of the Company with which Executive had contact while employed by the Company to withdraw, curtail, cancel or not increase their business with the Company.

(b) Executive shall not use Confidential Information to induce or solicit, directly or indirectly, any employee of or consultant to the Company or any Affiliate to terminate such person's employment or consulting engagement with the Company or any Affiliate during Executive's employment under this Agreement and for a period of 12 months following the termination of Executive's employment.

Remedies.

If Executive commits a material breach of any of the provisions contained in Sections 9 and 10 above, then the Company will have the right to seek injunctive relief to the fullest extent not prohibited by law. Executive acknowledges that such a breach of Section 9 or 10 could cause irreparable injury and that money damages may not provide an adequate remedy for the Company. Nothing contained herein will prevent Executive from contesting any such action by the Company, among other reasons, on the ground that no violation or threatened violation of either such section has occurred.

Resolution of Disputes.

Any controversy or claim arising out of or relating to this Agreement or any breach or asserted breach hereof or questioning the validity and binding effect hereof arising under or in connection with this Agreement, other than seeking injunctive relief under Section 11, shall be resolved by binding arbitration, to be held in Los Angeles, California in accordance with the rules and procedures of JAMS. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All costs and expenses of any arbitration or court proceeding (including fees and disbursements of counsel) shall be borne by the respective party incurring such costs and expenses. Notwithstanding the foregoing, if any applicable law requires different or additional rules or procedures to be applied in order for this Agreement to arbitrate to be enforceable, or prohibits any expense allocation provided herein, such rules or procedures shall take precedence and such prohibitions shall be a part of this Agreement to the extent necessary to render this Agreement enforceable. In no event shall the Executive be required to reimburse the Company for any of the costs and expenses relating to litigation or other proceeding under this Section 12. The obligation of the Company under this section shall survive the termination for any reason of Executive's employment by the Company (whether such termination is by the Company or by the Executive).

13. Indemnification.

Company Indemnity and Insurance.

If Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he is or was a director, officer or employee of the Company or any Affiliate or was serving at the request of the Company or any Affiliate as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether or not the basis of such Proceeding is Executive's alleged action in an official capacity while serving as a director, officer, member, employee or agent, then the Company will indemnify Executive and hold Executive harmless to the fullest extent legally permitted or authorized by the Company's articles of incorporation, certificate of incorporation

or bylaws or resolutions of the Company's Board to the extent not inconsistent with state laws, against all costs, expense, liability and loss (including, without limitation, attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by Executive in connection therewith, except to the extent attributable to Executive's gross negligence or fraud, and such indemnification shall continue as to Executive even if he has ceased to be a director, member, officer, employee or agent of the Company or Affiliate and shall inure to the benefit of Executive's heirs, executors and administrators. The Company will advance to Executive all reasonable costs and expenses to be incurred by Executive in connection with a Proceeding within 20 days after receipt by the Company of a written request for such advance. Such request shall include an undertaking by Executive to repay the amount of such advance if it shall ultimately be determined by a court or arbitrator under Section 12 hereof that he is not entitled to be indemnified against such costs and expenses. The provisions of this section shall not be deemed exclusive of any other rights of indemnification to which Executive may be entitled or which may be granted to Executive and shall be in addition to any rights of indemnification to which he may be entitled under any policy of insurance.

No Presumption Regarding Standard of Conduct.

Neither the failure of the Company (including its Board, independent legal counsel or shareholders) to have made a determination prior to the commencement of any proceeding concerning payment of amounts claimed by Executive under the preceding subsection (a) of this section that indemnification of Executive is proper because Executive has met the applicable standard of conduct, nor a determination by the Company (including its Board, independent legal counsel or shareholders) that Executive has not met such applicable standard of conduct, shall create a presumption that Executive has not met the applicable standard of conduct.

Liability Insurance.

The Company will continue and maintain a directors and officers liability insurance policy covering Executive to the extent the Company provides such coverage for any of its other senior executive officers.

Expenses of Counsel for Executive.

The Company and Executive will each bear their own respective legal and other expenses incurred in connection with the negotiation, execution and delivery of this Agreement; provided, however, that the Company shall reimburse the reasonable legal fees and expenses then incurred by Executive up to a maximum of \$10,000 in the aggregate for all such expenses.

Assignment; Binding Nature.

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs (in the case of Executive) and permitted assigns. No rights or obligations of the Company under this Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred to the successor of the Company or its business if the assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. No rights or obligations of Executive under this Agreement may be assigned or transferred by Executive other than Executive's rights to compensation and benefits, which may be transferred only by will or operation of law, except as otherwise specifically provided or permitted hereunder.

Representations.

The Company represents and warrants that it is fully authorized and empowered to enter into this Agreement and that the performance of its obligations under this Agreement will not violate any Agreement between it and any other person, firm or organization. Executive represents and warrants that there is no legal or other impediment which would prohibit Executive from entering into this Agreement or which would prevent Executive from fulfilling Executive's obligations under this Agreement.

Entire Agreement.

This Agreement contains the entire understanding and agreement between the parties concerning the subject matter hereof and supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the parties with respect thereto. This Agreement supersedes the Prior Agreement in its entirety and the Prior Agreement shall be of no further force and effect.

Amendment or Waiver.

No provision in this Agreement may be amended unless such amendment is agreed to in writing and signed by Executive and an authorized officer of the Company. Except as set forth herein, no delay or omission to exercise any right, power or remedy accruing to any party shall impair any such right, power or remedy or shall be construed to be a waiver of or an acquiescence to any breach hereof. No waiver by either party of any breach by the other party of any condition or provision contained in this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by Executive or an authorized officer of the Company, as the case may be.

Severability.

In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent not prohibited by law. The parties hereby agree that the court or arbitrator making any such determination shall modify and reform any parts of this Agreement determined to be invalid or unenforceable, to the extent necessary (and not further than necessary), so as to render them valid and enforceable, or if the court or arbitrator cannot so reform such provision, then such part shall be deemed to have been stricken from this Agreement with the same force and effect as if such part or parts had never been included.

Survivorship.

The respective rights and obligations of the parties hereunder shall survive any termination of Executive's employment to the extent necessary to the intended preservation of such rights and obligations.

Governing Law.

This Agreement shall be governed by and construed and interpreted in accordance with the laws of Arizona without reference to principles of conflict of laws.

Counterparts and Facsimile.

This Agreement may be executed in any number of counterparts, each such counterpart shall be deemed to be an original instrument, and all such counterparts together shall constitute but one agreement. Any such counterpart may contain one or more signature pages. A copy of this Agreement executed by any party and transmitted by pdf or facsimile shall be binding upon the parties as if executed and delivered in person.

Withholding.

The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

Resignation.

Upon any termination of Executive's employment, Executive shall be deemed to have resigned, to the extent applicable, as an officer of the Company and any of its Affiliates, as a member of the Board and of the board of directors of any of the Company's Affiliates and as a fiduciary of any Company or Affiliate benefit plan. On or immediately following the date of any termination of Executive's employment, if so requested by the Company, Executive shall confirm the foregoing by submitting to the Company a written confirmation of Executive's resignations.

Notices.

Any notice given to a party shall be in writing and shall be deemed to have been given when delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address of the party indicated below or to such changed address as such party may subsequently give such notice of:

If to the Company:

KORN FERRY
1900 Avenue of the Stars, Suite 2600
Los Angeles, CA 90067
Attention: General Counsel

If to Executive:

at the most recent address for Executive reflected in the Company's books and records.

IN WITNESS WHEREOF, the undersigned have executed this Employment Agreement on the date first above written.

The Company:

KORN FERRY

/s/ Gary D. Burnison

By: Gary D. Burnison
Its: Chief Executive Officer

Executive:

ROBERT ROZEK

/s/ Robert Rozek

SCHEDULE A

DEFINITION OF CHANGE IN CONTROL

For purposes of the foregoing Agreement, a “Change in Control” shall mean any of the following:

- (a) an acquisition by any Person (excluding one or more Excluded Persons) of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) or a pecuniary interest (as defined in Section 16a-1(a)(2) of the Exchange Act) in (either comprising “ownership of”) more than 50% of the Common Stock of the Company or voting securities entitled to then vote generally in the election of directors (“Voting Stock”) of the Company, after giving effect to any new issue in the case of an acquisition from the Company; or
- (b) consummation of a merger, consolidation, or reorganization of the Company or of a sale or other disposition of all or substantially all of the Company’s consolidated assets as an entirety (collectively, a “Business Combination”), other than a Business Combination (1) in which all or substantially all of the holders of Voting Stock of the Company hold or receive directly or indirectly 50% or more of the Voting Stock of the entity resulting from the Business Combination (or a parent company), and (2) after which no Person (other than any one or more of the Excluded Persons) owns more than 50% of the Voting Stock of the resulting entity (or a parent company) who did not own directly or indirectly at least that percentage of the Voting Stock of the Company immediately before the Business Combination, and (3) after which one or more Excluded Persons own an aggregate amount of Voting Stock of the resulting entity owned by any Persons who (i) own more than 5% of the Voting Stock of the resulting entity, (ii) are not Excluded Persons, (iii) did not own directly or indirectly at least the same percentage of the Voting Stock of the Company immediately before the Business Combination, and (iv) in the aggregate own more than 50% of the Voting Stock of the resulting entity; or
- (c) consummation of the dissolution or complete liquidation of Korn Ferry; or
- (d) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new directors (excluding any new director designated by a person who has entered into an agreement or arrangement with Korn Ferry to effect a transaction described in clause (a) or (b) of this definition) whose appointment, election, or nomination for election was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose appointment, election or nomination for election was previously so approved (all such directors, “Incumbent Directors”), cease for any reason to constitute a majority of the Board; provided that for purposes of this clause (d), any directors elected at any time during 1999 shall be deemed to be Incumbent Directors.

Notwithstanding the above provisions in this Schedule A, no Change in Control shall be deemed to have occurred if a Business Combination, as described in paragraph (b) above, is effected and a majority of the Incumbent Directors, through the adoption of a Board resolution, determines that, in substance, no Change in Control has occurred.

The “Company” means Korn Ferry, a Delaware corporation, its successors, and/or its Subsidiaries, as the context requires.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Excluded Person” means

- (i) the Company or any Subsidiary; or
- (ii) any person described in and satisfying the conditions of Rule 13d-1(b)(1) under the Exchange Act; or
- (iii) any employee benefit plan of the Company; or
- (iv) any affiliates (within the meaning of the Exchange Act), successors, or heirs, descendants or members of the immediate families of the individuals identified in part (ii) of this definition.

“Person” means an organization, a corporation, an individual, a partnership, a trust or any other entity or organization, including a governmental entity and a “person” as that term is used under Section 13(d) or 14(d) of the Exchange Act.

EXHIBIT 1

FORM OF AGREEMENT TO PROTECT CONFIDENTIAL INFORMATION

EXHIBIT 2

FORM OF SEPARATION AND GENERAL RELEASE AGREEMENT

ATTACHMENT I
EXCLUSIVE COMPETITOR LIST

1. Alexander Mann Solutions
2. Bain & Company
3. Boston Consulting Group (BCG)
4. Deloitte Consulting
5. Egon Zehnder International
6. Ernst & Young Consulting
7. Heidrick and Struggles
8. KPMG
9. LinkedIn
10. McKinsey & Company
11. Mercer
12. People Scout /True Blue
13. PricewaterhouseCoopers (PWC)
14. Robert Half
15. Russell Reynolds Associates
16. Spencer Stuart
17. Willis Towers Watson
18. Aon plc

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into this June 28, 2021 by and between KORN FERRY, a Delaware corporation with its principal offices in Los Angeles, California (the “Company”), and BYRNE MULROONEY, an individual (the “Executive”). The parties previously entered into a letter agreement dated as of June 26, 2014, as amended by amendments to that letter agreement dated as of April 14, 2020 and July 9, 2020 (collectively, the “Prior Agreement”). This Agreement is an amendment and complete restatement, and supersedes in the entirety, the Prior Agreement.

Employment.

Subject to Section 2, the Company agrees to continue to employ Executive and Executive agrees to be so employed by the Company, without interruption, upon the terms and conditions set forth in this Agreement.

Term.

The term of Executive’s employment under this Agreement shall continue hereunder until terminated in accordance with the terms of this Agreement (the “Term”). The Executive’s employment shall be on an at-will basis. The Company may terminate the Term and Executive’s employment, with or without Cause, for any reason or no reason and with or without advance notice, subject to compliance with this Agreement. Executive may terminate the Term and his employment at any time, for any or no reason, with or without Good Reason upon ninety (90) days (or thirty (30) days in the case of termination for Good Reason) advance written notice to the Company, subject to compliance with this Agreement.

Position, Duties and Responsibilities.

Executive will serve as Chief Executive Officer of RPO, Professional Search and Digital with duties and responsibilities customary to such office and shall report to the Company’s Chief Executive Officer (the “CEO”). At the request of the CEO, Executive will serve as an officer or director of the Company’s subsidiaries and other affiliates without additional compensation. Executive will devote substantially all of Executive’s business time and attention to the performance of Executive’s obligations, duties and responsibilities under this Agreement. Subject to Company policies applicable to senior executives generally, and with the specific approval of the Company’s Chief Executive Officer, Executive may engage in personal, charitable, professional and investment activities to the extent such activities do not conflict or interfere with Executive’s obligations to, or Executive’s ability to perform the normal duties and functions of Executive pursuant to this Agreement. Executive shall be subject to, and comply with, all Company policies covering him, including, without limitation, the Company’s clawback policy as in effect from time to time.

Compensation.

In consideration of Executive’s services to the Company pursuant to this Agreement, Executive’s compensation during the Term shall be as follows:

Base Salary.

Effective July 1, 2021, Executive shall be entitled to receive a base salary of \$45,833.33 per month (his “Base Salary”) (\$550,000 on an annualized basis, his “Annual Base Salary”), paid in accordance with the Company’s regular payroll practices. The Board and/or the Compensation and Personnel Committee of the Board (the “Compensation Committee”), acting in its discretion, may increase Executive’s Base Salary at any time, but such Base Salary may not be decreased unless the Board and/or the Compensation Committee implements an across-the-board reduction in compensation for all “named executive officers” of

the Company (as defined under Item 402 of Regulation S-K and to the extent employed by the Company at that time), in which case Executive's compensation shall be ratably reduced.

Annual Cash Incentive Award.

Executive will participate in the Company's annual cash incentive plan established for senior executives with an annual target cash award equal to 100% of the Annual Base Salary, with the ability to earn up to a maximum cash award equal to 200% of the Annual Base Salary. Executive's annual cash incentive award will be payable at such time as annual cash incentive awards are paid to executive officers generally, but not later than 120 days after the end of the fiscal year for which such award is earned. The annual performance targets for the cash award shall be set by the Board and/or the Compensation Committee.

Equity Incentive Program.

Executive shall be awarded, subject to the approval of the Compensation Committee, equity incentives with respect to shares of the Company's common stock ("Shares"), which shall be granted under the Korn Ferry Fourth Amended and Restated 2008 Stock Incentive Plan, as the same may be amended from time to time (or a successor plan). Such annual equity incentives shall be awarded at the same time annual equity grants are awarded to the Company's other executive officers, beginning with grants following the end of the Company's 2021 fiscal year. The terms of any equity incentives granted shall be set by the Compensation Committee in its discretion based on the performance of the Company and Executive .

5. Employee Benefit Programs and Perquisites.

General.

Executive will be eligible to participate in such employee benefit plans, arrangements and programs maintained by the Company from time to time for the benefit of its senior executives generally.

Reimbursement of Business Expenses.

Executive is authorized to incur and be reimbursed for reasonable expenses in accordance with the Company's written policy in carrying out Executive's duties and responsibilities under this Agreement. All reimbursements provided under this Agreement shall be subject to the conditions set forth in Section 7(b).

6. Termination of Employment. The following terms shall govern (x) the termination of Executive's employment, whether or not in connection with the occurrence of a Change in Control, and (y) certain of Executive's obligations following Executive's termination of employment. For avoidance of doubt, without limiting the applicability of this Section 6, the terms of the Agreement shall not take precedence or control over, or otherwise limit or restrict, any policies or procedures of the Company, including but not limited to the Company's Code of Business Conduct and Ethics and the Company's standard form of Agreement to Protect Confidential Information, an executed version of which is attached hereto as Exhibit L.

Death; Disability.

If Executive's employment with the Company terminates by reason of Executive's death or of Executive's Disability, then the Company will pay to Executive's estate, in the case of Executive's death, or to Executive or his guardian, in the case of Executive's Disability, Executive's Accrued Compensation within 30 days after the Executive's termination (with the payment date during such 30 day period to be determined by

the Company in its sole discretion, except as required by applicable law), and all outstanding equity incentive awards held by Executive (but expressly excluding any performance-based restricted stock unit awards and other performance-based equity compensation awards (collectively, the “Performance Shares”) and Executive’s benefits, if any, under the Executive Capital Accumulation Plan) at the time of Executive’s death or Disability will become fully vested and, to the extent applicable, shall remain exercisable until the earlier of (A) the date that is two (2) years after the date of Executive’s death or termination due to Disability or (B) its originally scheduled expiration date. Additionally, Executive or Executive’s guardian or estate, as the case may be, shall be entitled to a pro rata portion of Executive’s target annual cash incentive award established for the fiscal year in which Executive’s employment terminates due to death or Disability (based on the proportion that the number of days of Executive’s actual service to the Company during such fiscal year bears to the number of days in such fiscal year). Executive or Executive’s guardian or estate, as the case may be, shall also be entitled to receive the number of Performance Shares that would have been earned if Executive had served the Company for the entire performance period applicable to any Performance Shares (the “Performance Period”) and the Company’s performance during such period had been the target performance for the Performance Period. To the extent Executive and/or Executive’s covered dependent(s) continue to participate in the Company’s group health plan(s) pursuant to COBRA after Executive’s death or termination of employment by reason of Disability, unless prohibited by applicable law, the Company will provide reimbursement of COBRA coverage premiums in accordance with the provisions of Section 7 paid by Executive and/or Executive’s covered dependent(s) so that Executive and/or any such covered dependent(s) enjoy coverage at the same benefit level and to the same extent and, in the case of death, at no out-of-pocket cost to Executive and/or Executive’s covered dependents and, in the case of Disability, for the same effective contribution, if any, as participation is available to other executive officers of the Company, for as long as such coverage is required to be made available under COBRA.

Termination by the Company for Cause or Voluntary Termination by Executive.

- (1) If (i) the Company terminates Executive’s employment for Cause, or (ii) Executive voluntarily terminates Executive’s employment without Good Reason, then the Company shall pay to Executive his Accrued Compensation through the date Executive’s employment terminates within the time period permitted by applicable law.

Termination by the Company Without Cause or by Executive for Good Reason Prior to a Change in Control or More Than 24 Months After a Change in Control.

If Executive’s employment is terminated prior to a “Change in Control” (as defined in Schedule A), or more than 24 months after the date on which a Change in Control occurs, (i) by the Company without Cause and for a reason other than Executive’s death or Disability, or (ii) by Executive for Good Reason, then the Company shall pay to Executive within 30 days after the Executive’s termination (with the payment date during such 30 day period to be determined by the Company in its sole discretion, except as required by applicable law) Executive’s Accrued Compensation. The Company shall also pay to Executive a pro rata portion of Executive’s annual cash incentive award that Executive would have received for the fiscal year in which Executive’s employment terminates (based on the Company’s actual performance over the entire year and the number of days of Executive’s actual service to the Company during such fiscal year), which pro rata portion will be payable to Executive at the same time bonuses are paid to

executives generally for the applicable fiscal year. The Company shall also provide the following additional payments and benefits:

- (1) The Company shall pay to Executive a cash payment equal to (x) one and one half (1.5) times Executive's then current Annual Base Salary plus (y) one and one quarter (1.25) times Executive's then current target annual cash incentive award, payable in equal monthly installments over a period of twelve (12) months after the date Executive's employment terminates;
- (2) For up to eighteen (18) months after such termination, to the extent Executive and/or Executive's covered dependent(s) continue to participate in the Company's group health plan(s) pursuant to COBRA after Executive's termination of employment, unless prohibited by applicable law, the Company will provide reimbursement of COBRA coverage premiums paid by Executive and Executive's covered dependent(s) so that Executive and Executive's covered dependent(s) enjoy coverage at the same benefit level and to the same extent and for the same effective contribution, if any, as participation is available to other executive officers of the Company.
- (3) Outstanding equity incentive awards held by Executive (other than any Performance Shares) and all of Executive's benefits under the Executive Capital Accumulation Plan and any other time-vesting long term incentive plan at the time of Executive's termination that would have vested in the twelve (12) months following the date Executive's employment terminates (in each case, as if such incentives and benefits permitted proportionate vesting in monthly increments rather than any longer increment) (A) will become fully vested as of the date Executive's employment terminates and, (B) to the extent applicable, shall remain exercisable until the date that is the earlier of (x) two (2) years after the date Executive's employment terminates and (y) its originally scheduled expiration date; and
- (4) Executive shall receive a number of Performance Shares and/or a payout under any long-term performance-based cash incentive program (as applicable) equal to the product of (A) the Performance Shares and/or cash award that would have been earned if Executive had served the Company for the entirety of any open performance period at the time of Executive's termination of employment based on the Company's actual performance over the entire performance period, and (B) a fraction, (x) the numerator of which fraction shall be the sum of (i) the number of days of Executive's employment during any such performance period and (ii) 365 (provided that the numerator shall not exceed the number of days in the applicable performance period) and (y) the denominator of which fraction shall be the number of days in the applicable performance period, and such Performance Shares and/or cash awards will be payable to Executive at the same time such Performance Shares and/or cash awards are paid to executives generally for the applicable performance period.

Following a Change in Control, Termination by the Company Without Cause or by Executive for Good Reason.

If a Change in Control occurs and, within 24 months after the date on which the Change in Control occurs, Executive's employment is terminated (i) by the Company without Cause or (ii) by Executive for Good Reason, then the Company shall pay to Executive within 30 days after the Executive's termination (with the payment date during such 30 day period to be determined by the Company in its sole discretion, except as required by

applicable law) Executive's Accrued Compensation. The Company shall also pay Executive a pro rata portion of Executive's annual cash incentive award that Executive would have received for the fiscal year in which Executive's employment terminates based on the following: (1) an assumption that all performance goals are achieved at the target level of performance and (2) the number of days of Executive's actual service to the Company during such fiscal year, which pro rata portion will be payable to Executive within 60 days after the Executive's termination, and

- (1) the Company shall pay to Executive, in the aggregate, a cash payment equal to the sum of two and one-half (2.5) times Executive's then current Annual Base Salary and two and one-half (2.5) times Executive's target bonus, payable in equal monthly installments over a period of twelve (12) months after the date Executive's employment terminates;
- (2) for up to eighteen (18) months after such termination, to the extent Executive and/or Executive's covered dependent(s) continue to participate in the Company's group health plan(s) pursuant to COBRA after Executive's termination of employment, unless prohibited by applicable law, the Company will provide reimbursement of COBRA coverage premiums paid by Executive and Executive's dependent(s) so that Executive and Executive's covered dependent(s) enjoy coverage at the same benefit level and to the same extent and for the same effective contribution, if any, as participation is available to other executive officers of the Company; for the six (6) months thereafter, if continuing coverage under the Company's group health plan(s) is not available under COBRA, upon the written request of Executive at any time prior to or during such six (6) month period, the Company will use commercially reasonable efforts to secure continuing coverage for Executive and/or Executive's covered dependent(s) under the Company's group health plan(s), or if such coverage is unavailable, substantially similar coverage through an alternative health plan provider, and in either case, if such coverage is obtained, unless prohibited by applicable law, the Company will reimburse Executive and Executive's covered dependent(s) for a portion of the cost of such coverage equal to the amount that the Company would have paid Executive and Executive's covered dependents had Executive and Executive's covered dependent(s) been eligible for COBRA coverage and the Company was obligated to provide reimbursement of COBRA coverage premiums paid by Executive and Executive's dependent(s) so that Executive and Executive's covered dependent(s) could enjoy coverage at a substantially similar benefit level and for the same effective contribution, if any, as participation is available to other executive officers of the Company;
- (3) all outstanding equity incentive awards held by Executive and all of Executive's benefits under the Executive Capital Accumulation Plan and any other time-vesting long term incentive plan at the time of Executive's termination (but expressly excluding any Performance Shares) will become fully vested and, to the extent applicable, shall remain exercisable until the date that is the earlier of (x) two (2) years after the date Executive's employment terminates and (y) its originally scheduled expiration date; and
- (4) Executive shall receive a number of Performance Shares and/or a payout under any long-term performance-based cash incentive program (as applicable) equal to the greater of (i) the Performance Shares and/or cash award that would have been earned if Executive had served the Company for the entirety of any open performance period at the time of Executive's termination of employment and the Company's performance during such period had

been (x) the Company's actual performance through the date of the Change in Control and (y) at the target level for the period subsequent to the Change in Control, and (ii) the Performance Shares and/or cash award that would have been earned if Executive had served the Company for the entirety of any open performance period at the time of Executive's termination of employment and the Company's performance during such period had been at the target level of performance for the entire performance period .

Other Programs

Except as otherwise provided in this Agreement, Executive's entitlements under applicable plans and programs of the Company following termination of Executive's employment will be determined under the terms of those plans and programs.

Section 4999 "Golden Parachute" Payments

Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment, award, benefit or distribution (or any acceleration of any payment, award, benefit or distribution) by the Company (or any of its affiliated entities) or any entity which effectuates a Change in Control (or any of its affiliated entities) to or for the benefit of Executive (whether pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), or interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then such Payments shall either (a) be delivered in full, or (b) subject to, and in a manner consistent with the requirements of Section 409A of the Code, be reduced to the minimum extent necessary to ensure that no portion thereof will be subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state or local income and employment taxes and the Excise Tax, results in receipt by Executive, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to the Excise Tax. In the event that any Payments are to be reduced pursuant to this Section 6(f), then the reduction shall be applied as follows: (i) first, on a pro rata basis to Executive's cash severance payments and his pro rata annual cash incentive award payment for the year of termination, (ii) second, on a pro rata basis to Executive's equity incentive awards and (iii) third, to Executive's benefits under the Executive Capital Accumulation Plan. The determinations to be made with respect to this Section 6(f) shall be made by a qualified accounting or legal professional firm (the "Tax Professional") jointly selected by the Company and Executive and paid by the Company. The Tax Professional shall be a nationally recognized United States public accounting or law firm. If Executive and the Company cannot agree on the firm to serve as the Tax Professional, then Executive and the Company shall each select one such firm and those two firms shall jointly select such a different firm to serve as the Tax Professional. Absent manifest error, the determinations by the Tax Professional shall be binding upon the Company and Executive.

Conditions to Receipt of Benefits Under Section 6

Notwithstanding anything in this Agreement to the contrary, other than the payment of Executive's Accrued Compensation through the date of termination of Executive's employment, Executive shall not be entitled to any termination payments or benefits under this Section 6 unless and until Executive (or the representative of Executive's estate, in the case of termination due to Executive's death) executes and delivers to the Company, within forty-five (45) days of the date of termination of Executive's employment, a unilateral general release of all known and

unknown claims against the Company and its officers, directors, employees, agents and affiliates in a form acceptable to the Company, other than enforcement of any payments or benefits due under Section 6 of this Agreement and other than with respect to vested rights provided under any compensation or benefit plan or rights to indemnification under any Company document or applicable law and such release becomes fully effective and irrevocable under applicable law. Additionally, since Executive's satisfaction of the obligations set forth in this sentence are a condition precedent to Executive's rights to receive the additional benefits set forth in this Section 6, Executive shall not be entitled to termination payments and benefits under this Section 6 on or after the date, if any, during the twelve (12) months following the date Executive's employment terminates (the "Restricted Period"), that Executive (1) breaches or otherwise fails to comply with any of Executive's obligations under Section 9(a) or Section 10 under this Agreement, or (2) Executive elects to, directly or indirectly, (a) own, manage, operate, sell, control or participate in the ownership, management, operation, sales or control of any of the companies set forth on Attachment I hereto; provided that the foregoing shall not be applicable to the ownership of not more than 1% of the publicly traded equity securities of any of the foregoing or to the indirect ownership of any of the foregoing through the ownership of mutual funds; or (b) request or advise any of the clients, vendors or other business contacts of the Company with which Executive had contact while employed by the Company to withdraw, curtail, cancel or not increase their business with the Company. Executive agrees to notify the Company of each employment or consulting engagement he accepts during the Restricted Period (including the name and address of the hiring party) and will, upon request by the Company, describe in reasonable detail the nature of his duties in each such position. For avoidance of doubt, in the event Executive violates the non-competition restriction set forth in this paragraph, the Company's sole remedy shall be the ability to cease making or providing any payments or benefits otherwise payable or deliverable under Section 6 hereof.

Certain Definitions.

For purposes of this Agreement, the following terms shall have the meanings set forth herein:

- (1) "Accrued Compensation" means, as of any date, the amount of any unpaid Base Salary and annual cash incentive award earned by Executive through the date of Executive's death or the termination of Executive's employment (it being understood and agreed that no portion of the annual cash incentive award described in Section 4(b) payable in respect of a fiscal year shall be deemed earned unless Executive was employed with the Company as of the last day of such fiscal year).
- (2) "Cause" shall mean (a) conviction of any felony or other crime involving fraud, dishonesty or acts of moral turpitude or pleading guilty or nolo contendere to such charges, (b) reckless or willful behavior or conduct that causes or is reasonably likely to cause the Company material harm or injury or exposes or is reasonably likely to expose the Company to any material civil, criminal or administrative liability, (c) any material misrepresentation or false statement made by Executive in any application for employment, employment history, resume or other document submitted to the Company, either before, during or after employment, or (d) any material violation of the Company's material written policies or procedures including the Company's Code of Business Conduct, Code of Business Conduct and Ethics, Non-Harassment and Non-Discrimination Policy, Information Technology Security Policies and Procedures, Policy Statement Regarding Insider Trading, Media Contacts, and

(3) “Disability” means any physical or mental condition or impairment which prevents Executive from performing the principal functions of Executive’s duties with the Company that can be expected to result in death or that has lasted or can be expected to last for a period of 90 consecutive days or for shorter periods aggregating 180 days in any consecutive 12 month period, with such determination to be based in part on the medical assessment of an approved medical doctor. For this purpose, an approved medical doctor shall mean a medical doctor selected by the Company and Executive. If the parties cannot agree on a medical doctor, each party shall select a medical doctor and the two doctors shall select a third medical doctor who shall be the approved medical doctor for this purpose.

(4) Executive shall be deemed to have “Good Reason” to terminate his employment hereunder if, without Executive’s prior written consent, (A) the Company materially reduces Executive’s duties or responsibilities as Chief Executive Officer of RPO, Professional Search and Digital, or (B) the Company materially reduces Executive’s then current Base Salary or target annual incentive award as set forth herein (in each case, other than as part of an across-the-board reduction applicable to all “named executive officers” of the Company (as defined under Item 402 of Regulation S-K and to the extent employed by the Company at that time)). Prior to terminating for Good Reason, Executive shall be required to provide the Company with 30 days advance written notice of Executive’s intention to terminate employment for Good Reason, and the Company shall be permitted to cure any events giving rise to such Good Reason during such 30 day period, after which, if such event remains uncured, Executive’s employment must terminate within 30 days.

7. Section 409A Compliance.

General.

Notwithstanding any inconsistent provision of this Agreement, to the extent the Company determines in good faith that (a) one or more of the payments or benefits received or to be received by Executive pursuant to this Agreement in connection with Executive’s termination of employment would constitute deferred compensation subject to the rules of Internal Revenue Code Section 409A (“Section 409A”), and (b) that Executive is a “specified employee” under Section 409A, then only to the extent required to avoid the Executive’s incurrance of any additional tax or interest under Section 409A, such payment or benefit will be delayed until the earlier of Executive’s death or the date which is six (6) months after Executive’s “separation from service” within the meaning of Section 409A. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), the Executive’s right to receive the foregoing payments shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment shall at all times be considered a separate and distinct payment. Anything in this Agreement to the contrary notwithstanding, the terms of this Agreement shall be interpreted and applied in a manner consistent with the requirements of Section 409A and the regulations promulgated thereunder so as not to subject the Executive to the payment of any tax penalty or interest which may be imposed by Section 409A of the Code and the Company shall have no

right to accelerate or make any payment under this Agreement except to the extent such action would not subject the Executive to the payment of any tax penalty or interest under Section 409A.

Reimbursements.

Any reimbursements made or in-kind benefits provided under this Agreement shall be subject to the following conditions: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided in any one taxable year of the Executive shall not affect the amount of expenses eligible for reimbursement or in-kind benefits provided in any other taxable year of the Executive and the amount of expenses eligible for reimbursement shall be limited to expenses actually incurred; (ii) the reimbursement of any expense shall be made each calendar quarter but not later than the last day of the Executive's taxable year following the Executive's taxable year in which the expense was incurred (unless this Agreement specifically provides for reimbursement by an earlier date); and (iii) the right to reimbursement of an expense or payment of an in-kind benefit shall not be subject to liquidation or exchange for another benefit. In addition, with respect to any reimbursement made for expenses for COBRA continuation coverage purchased by the Executive, it is intended that any such reimbursements shall be exempt from Section 409A of the Code pursuant to Section 1.409A-1(b)(9)(v)(B) of the Regulations. The Executive's right to reimbursements under this Agreement shall be treated as a right to a series of separate payments under Section 1.409A-2(b)(2)(iii) of the Regulations.

Exemptions.

It is intended that payments made under this Agreement due to the Executive's termination of employment which are paid on or before the 15th day of the third month following the end of the Executive's taxable year in which his termination of employment occurs shall be exempt from compliance with Section 409A of the Code pursuant to the exemption for short-term deferrals set forth in Section 1.409A-1(b)(4) of the Regulations (the "Exempt Short-Term Deferral Payments"); and that payments under this Agreement, other than Exempt Short-Term Deferral Payments, that are made on or before the last day of the second taxable year following the taxable year in which the Executive terminates employment in an aggregate amount not exceeding two times the lesser of: (i) the sum of the Executive's annualized compensation based on his annual rate of pay for the taxable year preceding the taxable year in which he terminates employment (adjusted for any increase during that year that was expected to continue indefinitely if he had not terminated employment); or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which the Executive terminates employment shall be exempt from compliance with Section 409A of the Code pursuant to the exception for payments under a separation pay plan as set forth in Section 1.409A-1(b)(9)(iii) of the Treasury Regulations. If, under the terms of this Agreement, it is possible for a payment that is subject to Section 409A to be made in two separate taxable years, payment shall be made in the later taxable year.

No Mitigation; No Offset.

Executive will have no obligation to seek other employment or to otherwise mitigate the Company's obligations to Executive arising from the termination of Executive's employment, and no amounts paid or payable to Executive by the Company under this Agreement shall be subject to offset for any remuneration in which Executive may become entitled from any other source after Executive's employment with the Company terminates, whether attributable to subsequent employment, self-employment or otherwise except that subsequent employment with an employer providing employee welfare

benefit plans shall result in an offset against employee welfare benefits payable by the Company hereunder to the extent of the benefits paid by the new employer.

9. Confidential Information: Cooperation with Regard to Litigation.

Nondisclosure of Confidential Information.

During Executive's employment and thereafter, Executive will not, without the prior written consent of the Company, disclose to anyone (except in good faith in the ordinary course of business in the performance of Executive's duties hereunder to a person who, to Executive's knowledge, is obligated to keep such information confidential) or make use of any Confidential Information (as defined below) except in the performance of Executive's duties hereunder or when required to do so by legal process, by any governmental agency having supervisory authority over the business of the Company or any of its Affiliates (as defined below) or by any administrative or legislative body (including a committee thereof) that requires Executive to divulge, disclose or make accessible such information. If Executive is so ordered, to divulge Confidential Information, he will give prompt written notice to the Company in order to allow the Company the opportunity to object to or otherwise resist such order.

Definition of Confidential Information.

(c) For purposes of this Agreement, "Confidential Information" means information concerning the business of the Company or any corporation or other entity that, directly or indirectly, controls, is controlled by or under common control with the Company (an "Affiliate") relating to any of its or their products, product development, trade secrets, customers, suppliers, employees, employee lists, employee skills and information and any other information relating thereto, finances, business plans and strategies. Excluded from the definition of Confidential Information is information (1) that is or becomes part of the public domain, other than through the breach of this Agreement by Executive or (2) regarding the Company's business or industry properly acquired by Executive in the course of Executive's career as an executive in the Company's industry and independent of Executive's employment by the Company. For this purpose, information known or available generally within the trade or industry of the Company or any Affiliate shall be deemed to be known or available to the public and not to be Confidential Information.

Exceptions.

(c) Notwithstanding Executive's obligation not to directly or indirectly disclose or use Confidential Information as outlined in Section 9(a) above, Executive has the right, without notice to or authorization of the Company, to communicate and cooperate in good faith with any self-regulatory organization or U.S. federal, state, or local governmental or law enforcement branch, agency, commission, or entity (collectively, a "Government Entity") for the purpose of (i) reporting a possible violation of any U.S. federal, state, or local law or regulation, (ii) participating in any investigation or proceeding that may be conducted or managed by any Government Entity, including by providing documents or other information, or (iii) filing a charge or complaint with a Government Entity, provided that in each case, such communications, participation, and disclosures are consistent with applicable law. Additionally, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Executive files a lawsuit for retaliation by an

employer for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order. Notwithstanding the foregoing, under no circumstance will Executive be authorized to disclose any Confidential Information as to which the Company may assert protections from disclosure under the attorney-client privilege or the attorney work product doctrine, without prior written consent of Company's General Counsel or other authorized officer designated by the Company.

Cooperation in Litigation.

Executive will cooperate with the Company, during Executive's employment (and following Executive's termination of employment for any reason for a period of three years thereafter), by making Executive reasonably available to testify on behalf of the Company or any Affiliate in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and to reasonably assist the Company or any such Affiliate in any such action, suit, or proceeding by providing information and meeting and consulting with the Board or its representatives or counsel, or representatives or counsel to the Company or any such Affiliate, as reasonably requested; provided, however, that the same does not materially interfere with Executive's then current professional activities. The Company will reimburse Executive for all expenses reasonably incurred by Executive in connection with Executive's provision of testimony or assistance (including the fees of any counsel that may be retained by Executive). In addition, if such assistance is provided after Executive's termination of employment, the Company will pay Executive a per diem rate of \$2,000.

Nonsolicitation.

Executive shall not use Confidential Information to induce or solicit, directly or indirectly, any employee of or consultant to the Company or any Affiliate to terminate such person's employment or consulting engagement with the Company or any Affiliate during Executive's employment under this Agreement and for a period of 12 months following the termination of Executive's employment.

Remedies.

If Executive commits a material breach of any of the provisions contained in Sections 9 and 10 above, then the Company will have the right to seek injunctive relief to the fullest extent not prohibited by law. Executive acknowledges that such a breach of Section 9 or 10 could cause irreparable injury and that money damages may not provide an adequate remedy for the Company. Nothing contained herein will prevent Executive from contesting any such action by the Company, among other reasons, on the ground that no violation or threatened violation of either such section has occurred.

Resolution of Disputes.

Any controversy or claim arising out of or relating to this Agreement or any breach or asserted breach hereof or questioning the validity and binding effect hereof arising under or in connection with this Agreement, other than seeking injunctive relief under Section 11, shall be resolved by binding arbitration, to be held in Los Angeles, California in accordance with the rules and procedures of JAMS. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All costs and expenses of any arbitration or court proceeding (including fees and disbursements of counsel) shall be borne by the respective party incurring such costs and expenses. Notwithstanding the foregoing, if any applicable law requires different or additional rules or procedures to be applied in order for this Agreement to arbitrate to be enforceable, or prohibits any expense allocation provided herein,

such rules or procedures shall take precedence and such prohibitions shall be a part of this Agreement to the extent necessary to render this Agreement enforceable. In no event shall the Executive be required to reimburse the Company for any of the costs and expenses relating to litigation or other proceeding under this Section 12. The obligation of the Company under this section shall survive the termination for any reason of Executive's employment by the Company (whether such termination is by the Company or by the Executive).

13. Indemnification.

Company Indemnity and Insurance.

If Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he is or was a director, officer or employee of the Company or any Affiliate or was serving at the request of the Company or any Affiliate as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether or not the basis of such Proceeding is Executive's alleged action in an official capacity while serving as a director, officer, member, employee or agent, then the Company will indemnify Executive and hold Executive harmless to the fullest extent legally permitted or authorized by the Company's articles of incorporation, certificate of incorporation or bylaws or resolutions of the Company's Board to the extent not inconsistent with state laws, against all costs, expense, liability and loss (including, without limitation, attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by Executive in connection therewith, except to the extent attributable to Executive's gross negligence or fraud, and such indemnification shall continue as to Executive even if he has ceased to be a director, member, officer, employee or agent of the Company or Affiliate and shall inure to the benefit of Executive's heirs, executors and administrators. The Company will advance to Executive all reasonable costs and expenses to be incurred by Executive in connection with a Proceeding within 20 days after receipt by the Company of a written request for such advance. Such request shall include an undertaking by Executive to repay the amount of such advance if it shall ultimately be determined by a court or arbitrator under Section 12 hereof that he is not entitled to be indemnified against such costs and expenses. The provisions of this section shall not be deemed exclusive of any other rights of indemnification to which Executive may be entitled or which may be granted to Executive and shall be in addition to any rights of indemnification to which he may be entitled under any policy of insurance.

No Presumption Regarding Standard of Conduct.

Neither the failure of the Company (including its Board, independent legal counsel or shareholders) to have made a determination prior to the commencement of any proceeding concerning payment of amounts claimed by Executive under the preceding subsection (a) of this section that indemnification of Executive is proper because Executive has met the applicable standard of conduct, nor a determination by the Company (including its Board, independent legal counsel or shareholders) that Executive has not met such applicable standard of conduct, shall create a presumption that Executive has not met the applicable standard of conduct.

Liability Insurance.

The Company will continue and maintain a directors and officers liability insurance policy covering Executive to the extent the Company provides such coverage for any of its other senior executive officers.

Assignment; Binding Nature.

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs (in the case of Executive) and permitted assigns. No rights or obligations of the Company under this Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred to the successor of the Company or its business if the assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. No rights or obligations of Executive under this Agreement may be assigned or transferred by Executive other than Executive's rights to compensation and benefits, which may be transferred only by will or operation of law, except as otherwise specifically provided or permitted hereunder.

Representations.

The Company represents and warrants that it is fully authorized and empowered to enter into this Agreement and that the performance of its obligations under this Agreement will not violate any Agreement between it and any other person, firm or organization. Executive represents and warrants that there is no legal or other impediment which would prohibit Executive from entering into this Agreement or which would prevent Executive from fulfilling Executive's obligations under this Agreement.

Entire Agreement.

This Agreement contains the entire understanding and agreement between the parties concerning the subject matter hereof and supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the parties with respect thereto. This Agreement supersedes the Prior Agreement in its entirety and the Prior Agreement shall be of no further force and effect.

Amendment or Waiver.

No provision in this Agreement may be amended unless such amendment is agreed to in writing and signed by Executive and an authorized officer of the Company. Except as set forth herein, no delay or omission to exercise any right, power or remedy accruing to any party shall impair any such right, power or remedy or shall be construed to be a waiver of or an acquiescence to any breach hereof. No waiver by either party of any breach by the other party of any condition or provision contained in this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by Executive or an authorized officer of the Company, as the case may be.

Severability.

In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent not prohibited by law. The parties hereby agree that the court or arbitrator making any such determination shall modify and reform any parts of this Agreement determined to be invalid or unenforceable, to the extent necessary (and not further than necessary), so as to render them valid and enforceable, or if the court or arbitrator cannot so reform such provision, then such part shall be deemed to have been stricken from this Agreement with the same force and effect as if such part or parts had never been included.

Survivorship.

The respective rights and obligations of the parties hereunder shall survive any termination of Executive’s employment to the extent necessary to the intended preservation of such rights and obligations.

Governing Law.

This Agreement shall be governed by and construed and interpreted in accordance with the laws of California without reference to principles of conflict of laws.

Counterparts and Facsimile.

This Agreement may be executed in any number of counterparts, each such counterpart shall be deemed to be an original instrument, and all such counterparts together shall constitute but one agreement. Any such counterpart may contain one or more signature pages. A copy of this Agreement executed by any party and transmitted by pdf or facsimile shall be binding upon the parties as if executed and delivered in person.

Withholding.

The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

Resignation.

Upon any termination of Executive’s employment, Executive shall be deemed to have resigned, to the extent applicable, as an officer of the Company and any of its Affiliates, as a member of the Board and of the board of directors of any of the Company’s Affiliates and as a fiduciary of any Company or Affiliate benefit plan. On or immediately following the date of any termination of Executive’s employment, if so requested by the Company, Executive shall confirm the foregoing by submitting to the Company a written confirmation of Executive’s resignations.

Notices.

Any notice given to a party shall be in writing and shall be deemed to have been given when delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address of the party indicated below or to such changed address as such party may subsequently give such notice of:

If to the Company:	KORN FERRY 1900 Avenue of the Stars, Suite 2600 Los Angeles, CA 90067 Attention: General Counsel
If to Executive:	at the most recent address for Executive reflected in the Company’s books and records.

IN WITNESS WHEREOF, the undersigned have executed this Employment Agreement on the date first above written.

The Company:

KORN FERRY

/s/ Gary D. Burnison

By: Gary D. Burnison
Its: Chief Executive Officer

Executive:

BYRNE MULROONEY

/s/ Byrne Mulrooney

SCHEDULE A

DEFINITION OF CHANGE IN CONTROL

For purposes of the foregoing Agreement, a “Change in Control” shall mean any of the following:

- (a) an acquisition by any Person (excluding one or more Excluded Persons) of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) or a pecuniary interest (as defined in Section 16a-1(a)(2) of the Exchange Act) in (either comprising “ownership of”) more than 50% of the Common Stock of the Company or voting securities entitled to then vote generally in the election of directors (“Voting Stock”) of the Company, after giving effect to any new issue in the case of an acquisition from the Company; or
- (b) consummation of a merger, consolidation, or reorganization of the Company or of a sale or other disposition of all or substantially all of the Company’s consolidated assets as an entirety (collectively, a “Business Combination”), other than a Business Combination (1) in which all or substantially all of the holders of Voting Stock of the Company hold or receive directly or indirectly 50% or more of the Voting Stock of the entity resulting from the Business Combination (or a parent company), and (2) after which no Person (other than any one or more of the Excluded Persons) owns more than 50% of the Voting Stock of the resulting entity (or a parent company) who did not own directly or indirectly at least that percentage of the Voting Stock of the Company immediately before the Business Combination, and (3) after which one or more Excluded Persons own an aggregate amount of Voting Stock of the resulting entity owned by any Persons who (i) own more than 5% of the Voting Stock of the resulting entity, (ii) are not Excluded Persons, (iii) did not own directly or indirectly at least the same percentage of the Voting Stock of the Company immediately before the Business Combination, and (iv) in the aggregate own more than 50% of the Voting Stock of the resulting entity; or
- (c) consummation of the dissolution or complete liquidation of Korn Ferry; or
- (d) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new directors (excluding any new director designated by a person who has entered into an agreement or arrangement with Korn Ferry to effect a transaction described in clause (a) or (b) of this definition) whose appointment, election, or nomination for election was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose appointment, election or nomination for election was previously so approved (all such directors, “Incumbent Directors”), cease for any reason to constitute a majority of the Board; provided that for purposes of this clause (d), any directors elected at any time during 1999 shall be deemed to be Incumbent Directors.

Notwithstanding the above provisions in this Schedule A, no Change in Control shall be deemed to have occurred if a Business Combination, as described in paragraph (b) above, is effected and a majority of the Incumbent Directors, through the adoption of a Board resolution, determines that, in substance, no Change in Control has occurred.

The “Company” means Korn Ferry, a Delaware corporation, its successors, and/or its Subsidiaries, as the context requires.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Excluded Person” means

- (i) the Company or any Subsidiary; or
- (ii) any person described in and satisfying the conditions of Rule 13d-1(b)(1) under the Exchange Act; or
- (iii) any employee benefit plan of the Company; or
- (iv) any affiliates (within the meaning of the Exchange Act), successors, or heirs, descendants or members of the immediate families of the individuals identified in part (ii) of this definition.

“Person” means an organization, a corporation, an individual, a partnership, a trust or any other entity or organization, including a governmental entity and a “person” as that term is used under Section 13(d) or 14(d) of the Exchange Act.

EXHIBIT 1

FORM OF AGREEMENT TO PROTECT CONFIDENTIAL INFORMATION

ATTACHMENT I
EXCLUSIVE COMPETITOR LIST

1. Alexander Mann Solutions
2. Bain & Company
3. Boston Consulting Group (BCG)
4. Deloitte Consulting
5. Egon Zehnder International
6. Ernst & Young Consulting
7. Heidrick and Struggles
8. KPMG
9. LinkedIn
10. McKinsey & Company
11. Mercer
12. People Scout /True Blue
13. PricewaterhouseCoopers (PWC)
14. Robert Half
15. Russell Reynolds Associates
16. Spencer Stuart
17. Willis Towers Watson
18. Aon plc

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into this June 28, 2021 by and between KORN FERRY, a Delaware corporation with its principal offices in Los Angeles, California (the “Company”), and MARK ARIAN, an individual (the “Executive”). The parties previously entered into a letter agreement dated as of March 17, 2017, as amended by amendments to that letter agreement dated as of April 14, 2020 and July 8, 2020 (collectively, the “Prior Agreement”). This Agreement is an amendment and complete restatement, and supersedes in the entirety, the Prior Agreement.

Employment.

Subject to Section 2, the Company agrees to continue to employ Executive and Executive agrees to be so employed by the Company, without interruption, upon the terms and conditions set forth in this Agreement.

Term.

The term of Executive’s employment under this Agreement shall continue hereunder until terminated in accordance with the terms of this Agreement (the “Term”). The Executive’s employment shall be on an at-will basis. The Company may terminate the Term and Executive’s employment, with or without Cause, for any reason or no reason and with or without advance notice, subject to compliance with this Agreement. Executive may terminate the Term and his employment at any time, for any or no reason, with or without Good Reason upon ninety (90) days (or thirty (30) days in the case of termination for Good Reason) advance written notice to the Company, subject to compliance with this Agreement.

Position, Duties and Responsibilities.

Executive will serve as Chief Executive Officer of Consulting with duties and responsibilities customary to such office and shall report to the Company’s Chief Executive Officer (the “CEO”). At the request of the CEO, Executive will serve as an officer or director of the Company’s subsidiaries and other affiliates without additional compensation. Executive will devote substantially all of Executive’s business time and attention to the performance of Executive’s obligations, duties and responsibilities under this Agreement. Subject to Company policies applicable to senior executives generally, and with the specific approval of the Company’s Chief Executive Officer, Executive may engage in personal, charitable, professional and investment activities to the extent such activities do not conflict or interfere with Executive’s obligations to, or Executive’s ability to perform the normal duties and functions of Executive pursuant to this Agreement. Executive shall be subject to, and comply with, all Company policies covering him, including, without limitation, the Company’s clawback policy as in effect from time to time.

Compensation.

In consideration of Executive’s services to the Company pursuant to this Agreement, Executive’s compensation during the Term shall be as follows:

Base Salary.

Effective July 1, 2021, Executive shall be entitled to receive a base salary of \$45,833.33 per month (his “Base Salary”) (\$550,000 on an annualized basis, his “Annual Base Salary”), paid in accordance with the Company’s regular payroll practices. The Board and/or the Compensation and Personnel Committee of the Board (the “Compensation Committee”), acting in its discretion, may increase Executive’s Base Salary at any time, but such Base Salary may not be decreased unless the Board and/or the Compensation Committee implements an across-the-board reduction in compensation for all “named executive officers” of

the Company (as defined under Item 402 of Regulation S-K and to the extent employed by the Company at that time), in which case Executive's compensation shall be ratably reduced.

Annual Cash Incentive Award.

Executive will participate in the Company's annual cash incentive plan established for senior executives with an annual target cash award equal to 100% of the Annual Base Salary, with the ability to earn up to a maximum cash award equal to 200% of the Annual Base Salary. Executive's annual cash incentive award will be payable at such time as annual cash incentive awards are paid to executive officers generally, but not later than 120 days after the end of the fiscal year for which such award is earned. The annual performance targets for the cash award shall be set by the Board and/or the Compensation Committee.

Equity Incentive Program.

Executive shall be awarded, subject to the approval of the Compensation Committee, equity incentives with respect to shares of the Company's common stock ("Shares"), which shall be granted under the Korn Ferry Fourth Amended and Restated 2008 Stock Incentive Plan, as the same may be amended from time to time (or a successor plan). Such annual equity incentives shall be awarded at the same time annual equity grants are awarded to the Company's other executive officers, beginning with grants following the end of the Company's 2021 fiscal year. The terms of any equity incentives granted shall be set by the Compensation Committee in its discretion based on the performance of the Company and Executive .

5. Employee Benefit Programs and Perquisites.

General.

Executive will be eligible to participate in such employee benefit plans, arrangements and programs maintained by the Company from time to time for the benefit of its senior executives generally.

Reimbursement of Business Expenses.

Executive is authorized to incur and be reimbursed for reasonable expenses in accordance with the Company's written policy in carrying out Executive's duties and responsibilities under this Agreement. All reimbursements provided under this Agreement shall be subject to the conditions set forth in Section 7(b).

6. Termination of Employment. The following terms shall govern (x) the termination of Executive's employment, whether or not in connection with the occurrence of a Change in Control, and (y) certain of Executive's obligations following Executive's termination of employment. For avoidance of doubt, without limiting the applicability of this Section 6, the terms of the Agreement shall not take precedence or control over, or otherwise limit or restrict, any policies or procedures of the Company, including but not limited to the Company's Code of Business Conduct and Ethics and the Company's standard form of Agreement to Protect Confidential Information, an executed version of which is attached hereto as Exhibit L.

Death; Disability.

If Executive's employment with the Company terminates by reason of Executive's death or of Executive's Disability, then the Company will pay to Executive's estate, in the case of Executive's death, or to Executive or his guardian, in the case of Executive's Disability, Executive's Accrued Compensation within 30 days after the Executive's termination (with the payment date during such 30 day period to be determined by

the Company in its sole discretion, except as required by applicable law), and all outstanding equity incentive awards held by Executive (but expressly excluding any performance-based restricted stock unit awards and other performance-based equity compensation awards (collectively, the “Performance Shares”) and Executive’s benefits, if any, under the Executive Capital Accumulation Plan) at the time of Executive’s death or Disability will become fully vested and, to the extent applicable, shall remain exercisable until the earlier of (A) the date that is two (2) years after the date of Executive’s death or termination due to Disability or (B) its originally scheduled expiration date. Additionally, Executive or Executive’s guardian or estate, as the case may be, shall be entitled to a pro rata portion of Executive’s target annual cash incentive award established for the fiscal year in which Executive’s employment terminates due to death or Disability (based on the proportion that the number of days of Executive’s actual service to the Company during such fiscal year bears to the number of days in such fiscal year). Executive or Executive’s guardian or estate, as the case may be, shall also be entitled to receive the number of Performance Shares that would have been earned if Executive had served the Company for the entire performance period applicable to any Performance Shares (the “Performance Period”) and the Company’s performance during such period had been the target performance for the Performance Period. To the extent Executive and/or Executive’s covered dependent(s) continue to participate in the Company’s group health plan(s) pursuant to COBRA after Executive’s death or termination of employment by reason of Disability, unless prohibited by applicable law, the Company will provide reimbursement of COBRA coverage premiums in accordance with the provisions of Section 7 paid by Executive and/or Executive’s covered dependent(s) so that Executive and/or any such covered dependent(s) enjoy coverage at the same benefit level and to the same extent and, in the case of death, at no out-of-pocket cost to Executive and/or Executive’s covered dependents and, in the case of Disability, for the same effective contribution, if any, as participation is available to other executive officers of the Company, for as long as such coverage is required to be made available under COBRA.

Termination by the Company for Cause or Voluntary Termination by Executive.

- (1) If (i) the Company terminates Executive’s employment for Cause, or (ii) Executive voluntarily terminates Executive’s employment without Good Reason, then the Company shall pay to Executive his Accrued Compensation through the date Executive’s employment terminates within the time period permitted by applicable law.

Termination by the Company Without Cause or by Executive for Good Reason Prior to a Change in Control or More Than 24 Months After a Change in Control.

If Executive’s employment is terminated prior to a “Change in Control” (as defined in Schedule A), or more than 24 months after the date on which a Change in Control occurs, (i) by the Company without Cause and for a reason other than Executive’s death or Disability, or (ii) by Executive for Good Reason, then the Company shall pay to Executive within 30 days after the Executive’s termination (with the payment date during such 30 day period to be determined by the Company in its sole discretion, except as required by applicable law) Executive’s Accrued Compensation. The Company shall also pay to Executive a pro rata portion of Executive’s annual cash incentive award that Executive would have received for the fiscal year in which Executive’s employment terminates (based on the Company’s actual performance over the entire year and the number of days of Executive’s actual service to the Company during such fiscal year), which pro rata portion will be payable to Executive at the same time bonuses are paid to

executives generally for the applicable fiscal year. The Company shall also provide the following additional payments and benefits:

- (1) The Company shall pay to Executive a cash payment equal to (x) one and one half (1.5) times Executive's then current Annual Base Salary plus (y) one and one quarter (1.25) times Executive's then current target annual cash incentive award, payable in equal monthly installments over a period of twelve (12) months after the date Executive's employment terminates;
- (2) For up to eighteen (18) months after such termination, to the extent Executive and/or Executive's covered dependent(s) continue to participate in the Company's group health plan(s) pursuant to COBRA after Executive's termination of employment, unless prohibited by applicable law, the Company will provide reimbursement of COBRA coverage premiums paid by Executive and Executive's covered dependent(s) so that Executive and Executive's covered dependent(s) enjoy coverage at the same benefit level and to the same extent and for the same effective contribution, if any, as participation is available to other executive officers of the Company.
- (3) Outstanding equity incentive awards held by Executive (other than any Performance Shares) and all of Executive's benefits under the Executive Capital Accumulation Plan and any other time-vesting long term incentive plan at the time of Executive's termination that would have vested in the twelve (12) months following the date Executive's employment terminates (in each case, as if such incentives and benefits permitted proportionate vesting in monthly increments rather than any longer increment) (A) will become fully vested as of the date Executive's employment terminates and, (B) to the extent applicable, shall remain exercisable until the date that is the earlier of (x) two (2) years after the date Executive's employment terminates and (y) its originally scheduled expiration date; and
- (4) Executive shall receive a number of Performance Shares and/or a payout under any long-term performance-based cash incentive program (as applicable) equal to the product of (A) the Performance Shares and/or cash award that would have been earned if Executive had served the Company for the entirety of any open performance period at the time of Executive's termination of employment based on the Company's actual performance over the entire performance period, and (B) a fraction, (x) the numerator of which fraction shall be the sum of (i) the number of days of Executive's employment during any such performance period and (ii) 365 (provided that the numerator shall not exceed the number of days in the applicable performance period) and (y) the denominator of which fraction shall be the number of days in the applicable performance period, and such Performance Shares and/or cash awards will be payable to Executive at the same time such Performance Shares and/or cash awards are paid to executives generally for the applicable performance period.

Following a Change in Control, Termination by the Company Without Cause or by Executive for Good Reason.

If a Change in Control occurs and, within 24 months after the date on which the Change in Control occurs, Executive's employment is terminated (i) by the Company without Cause or (ii) by Executive for Good Reason, then the Company shall pay to Executive within 30 days after the Executive's termination (with the payment date during such 30 day period to be determined by the Company in its sole discretion, except as required by

applicable law) Executive's Accrued Compensation. The Company shall also pay Executive a pro rata portion of Executive's annual cash incentive award that Executive would have received for the fiscal year in which Executive's employment terminates based on the following: (1) an assumption that all performance goals are achieved at the target level of performance and (2) the number of days of Executive's actual service to the Company during such fiscal year, which pro rata portion will be payable to Executive within 60 days after the Executive's termination, and

- (1) the Company shall pay to Executive, in the aggregate, a cash payment equal to the sum of two and one-half (2.5) times Executive's then current Annual Base Salary and two and one-half (2.5) times Executive's target bonus, payable in equal monthly installments over a period of twelve (12) months after the date Executive's employment terminates;
- (2) for up to eighteen (18) months after such termination, to the extent Executive and/or Executive's covered dependent(s) continue to participate in the Company's group health plan(s) pursuant to COBRA after Executive's termination of employment, unless prohibited by applicable law, the Company will provide reimbursement of COBRA coverage premiums paid by Executive and Executive's dependent(s) so that Executive and Executive's covered dependent(s) enjoy coverage at the same benefit level and to the same extent and for the same effective contribution, if any, as participation is available to other executive officers of the Company; for the six (6) months thereafter, if continuing coverage under the Company's group health plan(s) is not available under COBRA, upon the written request of Executive at any time prior to or during such six (6) month period, the Company will use commercially reasonable efforts to secure continuing coverage for Executive and/or Executive's covered dependent(s) under the Company's group health plan(s), or if such coverage is unavailable, substantially similar coverage through an alternative health plan provider, and in either case, if such coverage is obtained, unless prohibited by applicable law, the Company will reimburse Executive and Executive's covered dependent(s) for a portion of the cost of such coverage equal to the amount that the Company would have paid Executive and Executive's covered dependents had Executive and Executive's covered dependent(s) been eligible for COBRA coverage and the Company was obligated to provide reimbursement of COBRA coverage premiums paid by Executive and Executive's dependent(s) so that Executive and Executive's covered dependent(s) could enjoy coverage at a substantially similar benefit level and for the same effective contribution, if any, as participation is available to other executive officers of the Company;
- (3) all outstanding equity incentive awards held by Executive and all of Executive's benefits under the Executive Capital Accumulation Plan and any other time-vesting long term incentive plan at the time of Executive's termination (but expressly excluding any Performance Shares) will become fully vested and, to the extent applicable, shall remain exercisable until the date that is the earlier of (x) two (2) years after the date Executive's employment terminates and (y) its originally scheduled expiration date; and
- (4) Executive shall receive a number of Performance Shares and/or a payout under any long-term performance-based cash incentive program (as applicable) equal to the greater of (i) the Performance Shares and/or cash award that would have been earned if Executive had served the Company for the entirety of any open performance period at the time of Executive's termination of employment and the Company's performance during such period had

been (x) the Company's actual performance through the date of the Change in Control and (y) at the target level for the period subsequent to the Change in Control, and (ii) the Performance Shares and/or cash award that would have been earned if Executive had served the Company for the entirety of any open performance period at the time of Executive's termination of employment and the Company's performance during such period had been at the target level of performance for the entire performance period .

Other Programs

Except as otherwise provided in this Agreement, Executive's entitlements under applicable plans and programs of the Company following termination of Executive's employment will be determined under the terms of those plans and programs.

Section 4999 "Golden Parachute" Payments

Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment, award, benefit or distribution (or any acceleration of any payment, award, benefit or distribution) by the Company (or any of its affiliated entities) or any entity which effectuates a Change in Control (or any of its affiliated entities) to or for the benefit of Executive (whether pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), or interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then such Payments shall either (a) be delivered in full, or (b) subject to, and in a manner consistent with the requirements of Section 409A of the Code, be reduced to the minimum extent necessary to ensure that no portion thereof will be subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state or local income and employment taxes and the Excise Tax, results in receipt by Executive, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to the Excise Tax. In the event that any Payments are to be reduced pursuant to this Section 6(f), then the reduction shall be applied as follows: (i) first, on a pro rata basis to Executive's cash severance payments and his pro rata annual cash incentive award payment for the year of termination, (ii) second, on a pro rata basis to Executive's equity incentive awards and (iii) third, to Executive's benefits under the Executive Capital Accumulation Plan. The determinations to be made with respect to this Section 6(f) shall be made by a qualified accounting or legal professional firm (the "Tax Professional") jointly selected by the Company and Executive and paid by the Company. The Tax Professional shall be a nationally recognized United States public accounting or law firm. If Executive and the Company cannot agree on the firm to serve as the Tax Professional, then Executive and the Company shall each select one such firm and those two firms shall jointly select such a different firm to serve as the Tax Professional. Absent manifest error, the determinations by the Tax Professional shall be binding upon the Company and Executive.

Conditions to Receipt of Benefits Under Section 6

Notwithstanding anything in this Agreement to the contrary, other than the payment of Executive's Accrued Compensation through the date of termination of Executive's employment, Executive shall not be entitled to any termination payments or benefits under this Section 6 unless and until Executive (or the representative of Executive's estate, in the case of termination due to Executive's death) executes and delivers to the Company, within forty-five (45) days of the date of termination of Executive's employment, a unilateral general release of all known and

unknown claims against the Company and its officers, directors, employees, agents and affiliates in a form acceptable to the Company, other than enforcement of any payments or benefits due under Section 6 of this Agreement and other than with respect to vested rights provided under any compensation or benefit plan or rights to indemnification under any Company document or applicable law and such release becomes fully effective and irrevocable under applicable law. Additionally, since Executive's satisfaction of the obligations set forth in this sentence are a condition precedent to Executive's rights to receive the additional benefits set forth in this Section 6, Executive shall not be entitled to termination payments and benefits under this Section 6 on or after the date, if any, during the twelve (12) months following the date Executive's employment terminates (the "Restricted Period"), that Executive breaches or otherwise fails to comply with any of Executive's obligations under Section 9(a) or Section 10 under this Agreement. Executive agrees to notify the Company of each employment or consulting engagement he accepts during the Restricted Period (including the name and address of the hiring party) and will, upon request by the Company, describe in reasonable detail the nature of his duties in each such position. Executive acknowledges that any violation of the foregoing restrictions would cause the Company irreparable harm and the payments and benefits to be provided under Section 6 are being provided in exchange for his compliance with the foregoing restrictions during the Restricted Period.

Certain Definitions.

For purposes of this Agreement, the following terms shall have the meanings set forth herein:

- (1) "Accrued Compensation" means, as of any date, the amount of any unpaid Base Salary and annual cash incentive award earned by Executive through the date of Executive's death or the termination of Executive's employment (it being understood and agreed that no portion of the annual cash incentive award described in Section 4(b) payable in respect of a fiscal year shall be deemed earned unless Executive was employed with the Company as of the last day of such fiscal year).
- (2) "Cause" shall mean (a) conviction of any felony or other crime involving fraud, dishonesty or acts of moral turpitude or pleading guilty or nolo contendere to such charges, (b) reckless or willful behavior or conduct that causes or is reasonably likely to cause the Company material harm or injury or exposes or is reasonably likely to expose the Company to any material civil, criminal or administrative liability, (c) any material misrepresentation or false statement made by Executive in any application for employment, employment history, resume or other document submitted to the Company, either before, during or after employment, or (d) any material violation of the Company's material written policies or procedures including the Company's Code of Business Conduct, Code of Business Conduct and Ethics, Non-Harassment and Non-Discrimination Policy, Information Technology Security Policies and Procedures, Policy Statement Regarding Insider Trading, Media Contacts, and Securities Analysts, Policy Statement Prohibiting Payments to Foreign Government Agencies and Officials, Political Parties, Leaders and Candidates, and False Entries in Books and Records, the Korn Ferry Clawback Policy, and the Agreement to Protect Confidential Information which govern all aspects of our professional practice.
- (3) "Disability" means any physical or mental condition or impairment which prevents Executive from performing the principal functions of Executive's duties with the

Company that can be expected to result in death or that has lasted or can be expected to last for a period of 90 consecutive days or for shorter periods aggregating 180 days in any consecutive 12 month period, with such determination to be based in part on the medical assessment of an approved medical doctor. For this purpose, an approved medical doctor shall mean a medical doctor selected by the Company and Executive. If the parties cannot agree on a medical doctor, each party shall select a medical doctor and the two doctors shall select a third medical doctor who shall be the approved medical doctor for this purpose.

(4)

Executive shall be deemed to have "Good Reason" to terminate his employment hereunder if, without Executive's prior written consent, (A) the Company materially reduces Executive's duties or responsibilities as Chief Executive Officer of Consulting, (B) the Company materially reduces Executive's then current Base Salary or target annual incentive award as set forth herein (in each case, other than as part of an across-the-board reduction applicable to all "named executive officers" of the Company (as defined under Item 402 of Regulation S-K and to the extent employed by the Company at that time)), or (C) the Company materially breaches a material term of this Agreement. Prior to terminating for Good Reason, Executive shall be required to provide the Company with 30 days advance written notice of Executive's intention to terminate employment for Good Reason, and the Company shall be permitted to cure any events giving rise to such Good Reason during such 30 day period, after which, if such event remains uncured, Executive's employment must terminate within 30 days.

7.

Section 409A Compliance.

General.

Notwithstanding any inconsistent provision of this Agreement, to the extent the Company determines in good faith that (a) one or more of the payments or benefits received or to be received by Executive pursuant to this Agreement in connection with Executive's termination of employment would constitute deferred compensation subject to the rules of Internal Revenue Code Section 409A ("Section 409A"), and (b) that Executive is a "specified employee" under Section 409A, then only to the extent required to avoid the Executive's incurrence of any additional tax or interest under Section 409A, such payment or benefit will be delayed until the earlier of Executive's death or the date which is six (6) months after Executive's "separation from service" within the meaning of Section 409A. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), the Executive's right to receive the foregoing payments shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment shall at all times be considered a separate and distinct payment. Anything in this Agreement to the contrary notwithstanding, the terms of this Agreement shall be interpreted and applied in a manner consistent with the requirements of Section 409A and the regulations promulgated thereunder so as not to subject the Executive to the payment of any tax penalty or interest which may be imposed by Section 409A of the Code and the Company shall have no right to accelerate or make any payment under this Agreement except to the extent such action would not subject the Executive to the payment of any tax penalty or interest under Section 409A.

Reimbursements.

Any reimbursements made or in-kind benefits provided under this Agreement shall be subject to the following conditions: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided in any one taxable year of the Executive

shall not affect the amount of expenses eligible for reimbursement or in-kind benefits provided in any other taxable year of the Executive and the amount of expenses eligible for reimbursement shall be limited to expenses actually incurred; (ii) the reimbursement of any expense shall be made each calendar quarter but not later than the last day of the Executive's taxable year following the Executive's taxable year in which the expense was incurred (unless this Agreement specifically provides for reimbursement by an earlier date); and (iii) the right to reimbursement of an expense or payment of an in-kind benefit shall not be subject to liquidation or exchange for another benefit. In addition, with respect to any reimbursement made for expenses for COBRA continuation coverage purchased by the Executive, it is intended that any such reimbursements shall be exempt from Section 409A of the Code pursuant to Section 1.409A-1(b)(9)(v)(B) of the Regulations. The Executive's right to reimbursements under this Agreement shall be treated as a right to a series of separate payments under Section 1.409A-2(b)(2)(iii) of the Regulations.

Exemptions.

It is intended that payments made under this Agreement due to the Executive's termination of employment which are paid on or before the 15th day of the third month following the end of the Executive's taxable year in which his termination of employment occurs shall be exempt from compliance with Section 409A of the Code pursuant to the exemption for short-term deferrals set forth in Section 1.409A-1(b)(4) of the Regulations (the "Exempt Short-Term Deferral Payments"); and that payments under this Agreement, other than Exempt Short-Term Deferral Payments, that are made on or before the last day of the second taxable year following the taxable year in which the Executive terminates employment in an aggregate amount not exceeding two times the lesser of: (i) the sum of the Executive's annualized compensation based on his annual rate of pay for the taxable year preceding the taxable year in which he terminates employment (adjusted for any increase during that year that was expected to continue indefinitely if he had not terminated employment); or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which the Executive terminates employment shall be exempt from compliance with Section 409A of the Code pursuant to the exception for payments under a separation pay plan as set forth in Section 1.409A-1(b)(9)(iii) of the Treasury Regulations. If, under the terms of this Agreement, it is possible for a payment that is subject to Section 409A to be made in two separate taxable years, payment shall be made in the later taxable year.

No Mitigation; No Offset.

Executive will have no obligation to seek other employment or to otherwise mitigate the Company's obligations to Executive arising from the termination of Executive's employment, and no amounts paid or payable to Executive by the Company under this Agreement shall be subject to offset for any remuneration in which Executive may become entitled from any other source after Executive's employment with the Company terminates, whether attributable to subsequent employment, self-employment or otherwise except that subsequent employment with an employer providing employee welfare benefit plans shall result in an offset against employee welfare benefits payable by the Company hereunder to the extent of the benefits paid by the new employer.

9. Confidential Information; Cooperation with Regard to Litigation.

Nondisclosure of Confidential Information.

During Executive's employment and thereafter, Executive will not, without the prior written consent of the Company, disclose to anyone (except in good faith in the ordinary course of business in the

performance of Executive's duties hereunder to a person who, to Executive's knowledge, is obligated to keep such information confidential) or make use of any Confidential Information (as defined below) except in the performance of Executive's duties hereunder or when required to do so by legal process, by any governmental agency having supervisory authority over the business of the Company or any of its Affiliates (as defined below) or by any administrative or legislative body (including a committee thereof) that requires Executive to divulge, disclose or make accessible such information. If Executive is so ordered, to divulge Confidential Information, he will give prompt written notice to the Company in order to allow the Company the opportunity to object to or otherwise resist such order.

Definition of Confidential Information.

(c) For purposes of this Agreement, "Confidential Information" means information concerning the business of the Company or any corporation or other entity that, directly or indirectly, controls, is controlled by or under common control with the Company (an "Affiliate") relating to any of its or their products, product development, trade secrets, customers, suppliers, employees, employee lists, employee skills and information and any other information relating thereto, finances, business plans and strategies. Excluded from the definition of Confidential Information is information (1) that is or becomes part of the public domain, other than through the breach of this Agreement by Executive or (2) regarding the Company's business or industry properly acquired by Executive in the course of Executive's career as an executive in the Company's industry and independent of Executive's employment by the Company. For this purpose, information known or available generally within the trade or industry of the Company or any Affiliate shall be deemed to be known or available to the public and not to be Confidential Information.

Exceptions.

(c) Notwithstanding Executive's obligation not to directly or indirectly disclose or use Confidential Information as outlined in Section 9(a) above, Executive has the right, without notice to or authorization of the Company, to communicate and cooperate in good faith with any self-regulatory organization or U.S. federal, state, or local governmental or law enforcement branch, agency, commission, or entity (collectively, a "Government Entity") for the purpose of (i) reporting a possible violation of any U.S. federal, state, or local law or regulation, (ii) participating in any investigation or proceeding that may be conducted or managed by any Government Entity, including by providing documents or other information, or (iii) filing a charge or complaint with a Government Entity, provided that in each case, such communications, participation, and disclosures are consistent with applicable law. Additionally, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Executive files a lawsuit for retaliation by an employer for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order. Notwithstanding the foregoing, under no circumstance will Executive be authorized to disclose any Confidential Information as to which the Company may assert protections from disclosure under the attorney-client privilege or the attorney work product doctrine, without prior written consent of Company's General Counsel or other authorized officer designated by the Company.

Cooperation in Litigation.

Executive will cooperate with the Company, during Executive's employment (and following Executive's termination of employment for any reason for a period of three years thereafter), by making Executive reasonably available to testify on behalf of the Company or any Affiliate in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and to reasonably assist the Company or any such Affiliate in any such action, suit, or proceeding by providing information and meeting and consulting with the Board or its representatives or counsel, or representatives or counsel to the Company or any such Affiliate, as reasonably requested; provided, however, that the same does not materially interfere with Executive's then current professional activities. The Company will reimburse Executive for all expenses reasonably incurred by Executive in connection with Executive's provision of testimony or assistance (including the fees of any counsel that may be retained by Executive). In addition, if such assistance is provided after Executive's termination of employment, the Company will pay Executive a per diem rate of \$2,000.

Noncompetition and Nonsolicitation.

(a) During Executive's employment under this Agreement and for a period of 12 months following the termination of Executive's employment under this Agreement, Executive shall not, directly or indirectly, (i) own, manage, operate, sell, control or participate in the ownership, management, operation, sales or control of any of the companies set forth on Attachment I hereto; provided that the foregoing shall not be applicable to the ownership of not more than 1% of the publicly traded equity securities of any of the foregoing or to the indirect ownership of any of the foregoing through the ownership of mutual funds; or (ii) request or advise any of the clients, vendors or other business contacts of the Company with which Executive had contact while employed by the Company to withdraw, curtail, cancel or not increase their business with the Company.

(b) During Executive's employment under this Agreement and for a period of 24 months following the termination of Executive's employment, Executive shall not use Confidential Information to (i) induce or solicit, directly or indirectly, any employee of or consultant to the Company or any Affiliate to terminate such person's employment or consulting engagement with the Company or any Affiliate or (ii) solicit or accept any executive search or leadership development/consulting assignment from, or otherwise attempt to provide services then provided by the Company or its Affiliates to, any existing client of the Company or its Affiliates or any person who has been a client of the Company or its Affiliates during the preceding two years. The term "client" as used in this clause shall mean only clients as to which Executive, at any time during the three years preceding the date Executive's employment terminates for any reason, contacted or engaged in activities on behalf of the Company or its Affiliates.

Remedies.

If Executive commits a material breach of any of the provisions contained in Sections 9 and 10 above, then the Company will have the right to seek injunctive relief to the fullest extent not prohibited by law. Executive acknowledges that such a breach of Section 9 or 10 could cause irreparable injury and that money damages may not provide an adequate remedy for the Company. Nothing contained herein will prevent Executive from contesting any such action by the Company, among other reasons, on the ground that no violation or threatened violation of either such section has occurred.

Resolution of Disputes.

Any controversy or claim arising out of or relating to this Agreement or any breach or asserted breach hereof or questioning the validity and binding effect hereof arising under or in connection with this Agreement, other than seeking injunctive relief under Section 11, shall be resolved by binding arbitration, to be held in New York, New York in accordance with the rules and procedures of JAMS. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All costs and expenses of any arbitration or court proceeding (including fees and disbursements of counsel) shall be borne by the respective party incurring such costs and expenses. Notwithstanding the foregoing, if any applicable law requires different or additional rules or procedures to be applied in order for this Agreement to arbitrate to be enforceable, or prohibits any expense allocation provided herein, such rules or procedures shall take precedence and such prohibitions shall be a part of this Agreement to the extent necessary to render this Agreement enforceable. In no event shall the Executive be required to reimburse the Company for any of the costs and expenses relating to litigation or other proceeding under this Section 12. The obligation of the Company under this section shall survive the termination for any reason of Executive's employment by the Company (whether such termination is by the Company or by the Executive).

13. Indemnification.

Company Indemnity and Insurance.

If Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he is or was a director, officer or employee of the Company or any Affiliate or was serving at the request of the Company or any Affiliate as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether or not the basis of such Proceeding is Executive's alleged action in an official capacity while serving as a director, officer, member, employee or agent, then the Company will indemnify Executive and hold Executive harmless to the fullest extent legally permitted or authorized by the Company's articles of incorporation, certificate of incorporation or bylaws or resolutions of the Company's Board to the extent not inconsistent with state laws, against all costs, expense, liability and loss (including, without limitation, attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by Executive in connection therewith, except to the extent attributable to Executive's gross negligence or fraud, and such indemnification shall continue as to Executive even if he has ceased to be a director, member, officer, employee or agent of the Company or Affiliate and shall inure to the benefit of Executive's heirs, executors and administrators. The Company will advance to Executive all reasonable costs and expenses to be incurred by Executive in connection with a Proceeding within 20 days after receipt by the Company of a written request for such advance. Such request shall include an undertaking by Executive to repay the amount of such advance if it shall ultimately be determined by a court or arbitrator under Section 12 hereof that he is not entitled to be indemnified against such costs and expenses. The provisions of this section shall not be deemed exclusive of any other rights of indemnification to which Executive may be entitled or which may be granted to Executive and shall be in addition to any rights of indemnification to which he may be entitled under any policy of insurance.

No Presumption Regarding Standard of Conduct.

Neither the failure of the Company (including its Board, independent legal counsel or shareholders) to have made a determination prior to the commencement of any proceeding concerning payment of amounts claimed by Executive under the preceding subsection (a) of this section that indemnification of Executive is proper because Executive has met the applicable standard of conduct, nor a determination by the Company (including its Board, independent legal counsel or shareholders) that Executive has not met such applicable standard of conduct, shall create a presumption that Executive has not met the applicable standard of conduct.

Liability Insurance.

The Company will continue and maintain a directors and officers liability insurance policy covering Executive to the extent the Company provides such coverage for any of its other senior executive officers.

Assignment; Binding Nature.

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs (in the case of Executive) and permitted assigns. No rights or obligations of the Company under this Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred to the successor of the Company or its business if the assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. No rights or obligations of Executive under this Agreement may be assigned or transferred by Executive other than Executive's rights to compensation and benefits, which may be transferred only by will or operation of law, except as otherwise specifically provided or permitted hereunder.

Representations.

The Company represents and warrants that it is fully authorized and empowered to enter into this Agreement and that the performance of its obligations under this Agreement will not violate any Agreement between it and any other person, firm or organization. Executive represents and warrants that there is no legal or other impediment which would prohibit Executive from entering into this Agreement or which would prevent Executive from fulfilling Executive's obligations under this Agreement.

Entire Agreement.

This Agreement contains the entire understanding and agreement between the parties concerning the subject matter hereof and supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the parties with respect thereto. This Agreement supersedes the Prior Agreement in its entirety and the Prior Agreement shall be of no further force and effect.

Amendment or Waiver.

No provision in this Agreement may be amended unless such amendment is agreed to in writing and signed by Executive and an authorized officer of the Company. Except as set forth herein, no delay or omission to exercise any right, power or remedy accruing to any party shall impair any such right, power or remedy or shall be construed to be a waiver of or an acquiescence to any breach hereof. No waiver by either party of any breach by the other party of any condition or provision contained in this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by Executive or an authorized officer of the Company, as the case may be.

Severability.

In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent not prohibited by law. The parties hereby agree that the court or arbitrator making any such determination shall modify and reform any parts of this Agreement determined to be invalid or unenforceable, to the extent necessary (and not further than necessary), so as to render them valid and enforceable, or if the court or arbitrator cannot so reform such provision, then such part shall be deemed to have been stricken from this Agreement with the same force and effect as if such part or parts had never been included.

Survivorship.

The respective rights and obligations of the parties hereunder shall survive any termination of Executive's employment to the extent necessary to the intended preservation of such rights and obligations.

Governing Law.

This Agreement shall be governed by and construed and interpreted in accordance with the laws of New York without reference to principles of conflict of laws..

Counterparts and Facsimile.

This Agreement may be executed in any number of counterparts, each such counterpart shall be deemed to be an original instrument, and all such counterparts together shall constitute but one agreement. Any such counterpart may contain one or more signature pages. A copy of this Agreement executed by any party and transmitted by pdf or facsimile shall be binding upon the parties as if executed and delivered in person.

Withholding.

The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

Resignation.

Upon any termination of Executive's employment, Executive shall be deemed to have resigned, to the extent applicable, as an officer of the Company and any of its Affiliates, as a member of the Board and of the board of directors of any of the Company's Affiliates and as a fiduciary of any Company or Affiliate benefit plan. On or immediately following the date of any termination of Executive's employment, if so requested by the Company, Executive shall confirm the foregoing by submitting to the Company a written confirmation of Executive's resignations.

Notices.

Any notice given to a party shall be in writing and shall be deemed to have been given when delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address of the party indicated below or to such changed address as such party may subsequently give such notice of:

If to the Company:

KORN FERRY
1900 Avenue of the Stars, Suite 2600
Los Angeles, CA 90067
Attention: General Counsel

If to Executive:

at the most recent address for Executive reflected in the Company's books and records.

IN WITNESS WHEREOF, the undersigned have executed this Employment Agreement on the date first above written.

The Company:

KORN FERRY

/s/ Gary D. Burnison

By: Gary D. Burnison
Its: Chief Executive Officer

Executive:

MARK ARIAN

/s/ Mark Arian

SCHEDULE A

DEFINITION OF CHANGE IN CONTROL

For purposes of the foregoing Agreement, a “Change in Control” shall mean any of the following:

- (a) an acquisition by any Person (excluding one or more Excluded Persons) of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) or a pecuniary interest (as defined in Section 16a-1(a)(2) of the Exchange Act) in (either comprising “ownership of”) more than 50% of the Common Stock of the Company or voting securities entitled to then vote generally in the election of directors (“Voting Stock”) of the Company, after giving effect to any new issue in the case of an acquisition from the Company; or
- (b) consummation of a merger, consolidation, or reorganization of the Company or of a sale or other disposition of all or substantially all of the Company’s consolidated assets as an entirety (collectively, a “Business Combination”), other than a Business Combination (1) in which all or substantially all of the holders of Voting Stock of the Company hold or receive directly or indirectly 50% or more of the Voting Stock of the entity resulting from the Business Combination (or a parent company), and (2) after which no Person (other than any one or more of the Excluded Persons) owns more than 50% of the Voting Stock of the resulting entity (or a parent company) who did not own directly or indirectly at least that percentage of the Voting Stock of the Company immediately before the Business Combination, and (3) after which one or more Excluded Persons own an aggregate amount of Voting Stock of the resulting entity owned by any Persons who (i) own more than 5% of the Voting Stock of the resulting entity, (ii) are not Excluded Persons, (iii) did not own directly or indirectly at least the same percentage of the Voting Stock of the Company immediately before the Business Combination, and (iv) in the aggregate own more than 50% of the Voting Stock of the resulting entity; or
- (c) consummation of the dissolution or complete liquidation of Korn Ferry; or
- (d) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new directors (excluding any new director designated by a person who has entered into an agreement or arrangement with Korn Ferry to effect a transaction described in clause (a) or (b) of this definition) whose appointment, election, or nomination for election was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose appointment, election or nomination for election was previously so approved (all such directors, “Incumbent Directors”), cease for any reason to constitute a majority of the Board; provided that for purposes of this clause (d), any directors elected at any time during 1999 shall be deemed to be Incumbent Directors.

Notwithstanding the above provisions in this Schedule A, no Change in Control shall be deemed to have occurred if a Business Combination, as described in paragraph (b) above, is effected and a majority of the Incumbent Directors, through the adoption of a Board resolution, determines that, in substance, no Change in Control has occurred.

The “Company” means Korn Ferry, a Delaware corporation, its successors, and/or its Subsidiaries, as the context requires.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Excluded Person” means

- (i) the Company or any Subsidiary; or
- (ii) any person described in and satisfying the conditions of Rule 13d-1(b)(1) under the Exchange Act; or
- (iii) any employee benefit plan of the Company; or
- (iv) any affiliates (within the meaning of the Exchange Act), successors, or heirs, descendants or members of the immediate families of the individuals identified in part (ii) of this definition.

“Person” means an organization, a corporation, an individual, a partnership, a trust or any other entity or organization, including a governmental entity and a “person” as that term is used under Section 13(d) or 14(d) of the Exchange Act.

EXHIBIT 1

FORM OF AGREEMENT TO PROTECT CONFIDENTIAL INFORMATION

ATTACHMENT I
EXCLUSIVE COMPETITOR LIST

1. Alexander Mann Solutions
2. Bain & Company
3. Boston Consulting Group (BCG)
4. Deloitte Consulting
5. Egon Zehnder International
6. Ernst & Young Consulting
7. Heidrick and Struggles
8. KPMG
9. LinkedIn
10. McKinsey & Company
11. Mercer
12. People Scout /True Blue
13. PricewaterhouseCoopers (PWC)
14. Robert Half
15. Russell Reynolds Associates
16. Spencer Stuart
17. Willis Towers Watson
18. Aon plc

EXHIBIT 21.1

Note: Korn Ferry or one of its Subsidiaries has 100% ownership of the Subsidiaries listed below, except for Agensi Pekerjaan Korn Ferry (49%), Korn Ferry Mexico, S.C. (49%), Hay Group S.C. and Hay Group CR S.R.L. are wholly owned subsidiaries of Korn Ferry Mexico, S.C.

Subsidiaries		Jurisdiction
1.	Korn/Ferry International S.A.	Argentina
2.	Hay Argentina S.A.	Argentina
3.	Korn/Ferry Futurestep Argentina S.R.L.	Argentina
4.	AchieveForum (AUS) Pty Ltd	Australia
5.	Futurestep (Australia) Pty Limited	Australia
6.	Korn Ferry Hay Group Pty Ltd	Australia
7.	Korn Ferry (AU) Pty Ltd	Australia
8.	Miller Heiman Group (ANZ) Pty. Ltd.	Australia
9.	Korn Ferry (AT) GmbH	Austria
10.	Korn Ferry (BE) BVBA	Belgium
11.	Korn Ferry (BR) Consultores Ltda.	Brazil
12.	Korn Ferry Bulgaria EOOD	Bulgaria
13.	Korn Ferry (CA) Ltd.	Canada
14.	Hay Group Ltda.	Chile
15.	Korn Ferry International S.A.	Chile
16.	WOFE Korn/Ferry International Human Capital Consulting (Beijing) Limited	China
17.	Boca Enterprise Management (Shanghai) Co. Ltd	China
18.	Futurestep (Shanghai) Talent Consulting Company Limited	China
19.	Hay Group Co., Ltd.	China
20.	Korn/Ferry (Shanghai) Human Capital Consulting Company Limited	China
21.	Guangzhou Korn/Ferry Human Capital Consulting Company Limited	China
22.	Shanghai Korn/Ferry Human Capital Consulting Co., Ltd.	China
23.	PuDe Management Consulting (Shanghai) Co. Ltd.	China
24.	Hay Group Ltda.	Colombia
25.	Korn/Ferry International Consultores Asociados, C.A.– Colombia Branch	Colombia
26.	Korn Ferry CR S.R.L.	Costa Rica
27.	Korn Ferry s.r.o.	Czech Republic
28.	Futurestep (Danmark) ApS	Denmark
29.	Korn Ferry (DK) A/S	Denmark
30.	Korn Ferry (FI) Oy	Finland
31.	Korn/Ferry International Oy	Finland
32.	KF France SARL	France
33.	Korn Ferry (FR) SARL	France
34.	Miller Heiman Group (France) SAS	France
35.	Korn Ferry (DE) GmbH	Germany
36.	Hay Group S.A.	Greece
37.	Korn/Ferry International S.A.	Greece
38.	Korn Ferry (H.K.) Limited	Hong Kong
39.	Korn Ferry RPOPS (HK) Limited	Hong Kong
40.	Hay Group Management Consultants Ltd.	Hungary

Subsidiaries		Jurisdiction
41.	Korn/Ferry International Budapest Individual Consulting and Service Ltd.	Hungary
42.	PDI Hungary, Kft.	Hungary
43.	ESI Performance Improvement Private Limited	India
44.	Futurestep Recruitment Services Private Limited.	India
45.	Hay Consultants India Private Ltd.	India
46.	Korn/Ferry International Private Limited	India
47.	Personnel Decisions International India Pvt. Limited	India
48.	PT Hay Group	Indonesia
49.	PT. Korn/Ferry International	Indonesia
50.	Hay Management Consultants Ireland Ltd.	Ireland
51.	Korn Ferry (IE) Limited	Ireland
52.	Korn Ferry (IT) S.r.l.	Italy
53.	Personnel Decisions International Italia SRL	Italy
54.	Korn Ferry (Japan) Ltd.	Japan
55.	Hay Group UAB	Lithuania
56.	HG (Luxembourg) S.a.r.l.	Luxembourg
57.	Korn Ferry (Luxembourg) S.A.R.L.	Luxembourg
58.	Agensi Pekerjaan Futurestep Worldwide (M) Sdn. Bhd.	Malaysia
59.	Agensi Pekerjaan Korn Ferry Sdn. Bhd.	Malaysia
60.	Hay Group Sdn. Bhd.	Malaysia
61.	Talent Q Distribution Limited	Malta
62.	Talent Q International Limited	Malta
63.	Korn/Ferry Investment India Limited (Mauritius OCB)	Mauritius
64.	Hay Group S.C.	Mexico
65.	Korn Ferry Mexico, S.C.	Mexico
66.	Hay Group Partners Holding B.V.	Netherlands
67.	Korn Ferry (NL) BV	Netherlands
68.	Korn Ferry Advisory (NL) B.V.	Netherlands
69.	Korn Ferry Investments B.V.	Netherlands
70.	Korn Ferry Management B.V.	Netherlands
71.	Korn Ferry NL91 B.V.	Netherlands
72.	Korn Ferry (NZ)	New Zealand
73.	Futurestep (Norge) AS	Norway
74.	Hay Group AS	Norway
75.	Korn Ferry A/S	Norway
76.	Hay Group S.A.	Peru
77.	Korn/Ferry International Peru S.A.	Peru
78.	Korn Ferry Futurestep (The Philippines) Inc.	Philippines
79.	Korn Ferry (PL) Sp.z.o.o.	Poland
80.	Korn Ferry S.A.	Portugal
81.	Hay Group LLC	Qatar
82.	Korn Ferry SRL	Romania
83.	Korn Ferry LLC	Russia
84.	Hay Group Saudi Arabia Limited	Saudi Arabia

Subsidiaries	Jurisdiction
85. Boca Performance Solutions Asia Pte. Ltd	Singapore
86. Korn Ferry (SG) Pte. Ltd.	Singapore
87. Korn Ferry RPOPS (SG) Pte. Ltd.	Singapore
88. Korn Ferry SG91 Pte. Ltd.	Singapore
89. Korn Ferry (SK) s.r.o.	Slovakia
90. Korn Ferry (Pty) Ltd.	South Africa
91. Hay Group Ltd.	South Korea
92. Korn/Ferry International (Korea) Limited	South Korea
93. Korn Ferry (Espana) SL	Spain
94. Korn Ferry (Sweden) AB	Sweden
95. Korn Ferry (Schweiz) GmbH	Switzerland
96. Korn/Ferry International (Taiwan) Co., Ltd.	Taiwan
97. Hay Group Limited	Thailand
98. Korn/Ferry (Thailand) Limited	Thailand
99. Korn Ferry Recruitment (Thailand) Ltd.	Thailand
100. Hay Group Danismanlik Limited Sirketi	Turkey
101. Korn/Ferry International Musavirlik Limited Sirketi	Turkey
102. Korn Ferry LLC	Ukraine
103. AchieveForum (UK) Limited	United Kingdom
104. Boca U.K. Holding Limited	United Kingdom
105. Boca U.K. Intermediate Holdings Ltd.	United Kingdom
106. Futurestep (UK) Limited	United Kingdom
107. Hay Group Intermediary Limited	United Kingdom
108. Hay Group UK Holdings Limited	United Kingdom
109. KFI (UK) Limited	United Kingdom
110. Korn Ferry (UK) Limited	United Kingdom
111. Korn Ferry GH1 Limited	United Kingdom
112. Korn Ferry Global Holdings (UK) Limited	United Kingdom
113. Korn Ferry Global Ventures 2 LP	United Kingdom
114. Korn Ferry Global Ventures LP	United Kingdom
115. Korn Ferry WHM LLP	United Kingdom
116. Korn/Ferry International Limited	United Kingdom
117. Miller Heiman Group (UK) Limited	United Kingdom
118. Personnel Decisions International UK Ltd	United Kingdom
119. Personnel Decisions International, Europe Limited	United Kingdom
120. TwentyEighty Strategy Execution (UK) Ltd.	United Kingdom
121. KF WHM Ltd.	United Kingdom
122. Korn Ferry GP Ventures 2 LLC	United States, Delaware
123. Korn Ferry (US)	United States, Delaware
124. Korn Ferry Global Holdings, Inc.	United States, Delaware
125. Korn Ferry GP Ventures LLC	United States, Delaware
126. Sensa Solutions, Inc.	United States, Virginia

Subsidiaries		Jurisdiction
127.	Personnel Decisions International India Corporation	United States. Minnesota
128.	Hay Group Venezuela, S.A.	Venezuela
129.	Inversiones Korn/Ferry International C.A.	Venezuela
130.	Korn/Ferry International Consultores Asociados, C.A.	Venezuela
131.	Hay Group Consulting Limited Liability	Vietnam

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

- Registration Statements (Form S-8 Nos. 333-161844, 333-159900, 333-158632, 333-49580, 333-73147, 333-111038, 333-146346, 333-108696, 333-185438, 333-200840 and 333-214123) pertaining to the employee benefit plans of Korn Ferry;
- of our reports dated June 28, 2021, with respect to the consolidated financial statements and schedule of Korn Ferry and subsidiaries and the effectiveness of internal control over financial reporting of Korn Ferry and subsidiaries included in this Annual Report (Form 10-K) of Korn Ferry and subsidiaries for the year ended April 30, 2021.

/s/ Ernst & Young LLP

Los Angeles, California
June 28, 2021

EXHIBIT 31.1

CERTIFICATIONS

I, Gary D. Burnison, certify that:

1. I have reviewed this annual report on Form 10-K of Korn Ferry;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 28, 2021

By: /s/ GARY D. BURNISON

Name: **Gary D. Burnison**

Title: **Chief Executive Officer and President**

EXHIBIT 31.2

CERTIFICATIONS

I, Robert P. Rozek, certify that:

1. I have reviewed this annual report on Form 10-K of Korn Ferry;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 28, 2021

By: /s/ ROBERT P. ROZEK

Name: **Robert P. Rozek**

Title: **Executive Vice President, Chief Financial Officer, and Chief Corporate Officer**



EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Executive Officer and Chief Financial Officer of Korn Ferry, a Delaware corporation (the "Company"), hereby certify that, to the best of their knowledge:

- (a) the Annual Report on Form 10-K for the year ended April 30, 2021 (the "Report") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 28, 2021

By: /s/ GARY D. BURNISON

Name: Gary D. Burnison

Title: Chief Executive Officer and President

By: /s/ ROBERT P. ROZEK

Name: Robert P. Rozek

Title: Executive Vice President, Chief Financial Officer, and Chief Corporate Officer