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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 30, 2018

KORN/FERRY INTERNATIONAL
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-14505
(Commission File Number)

95-2623879
(IRS Employer
Identification No.)

1900 Avenue of the Stars, Suite 2600
Los Angeles, California 90067
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (310) 552-1834

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth 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.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 30, 2018, Korn/Ferry International, a Delaware corporation (the “**Company**”) entered into an Amended and Restated Employment Agreement (the “**Amended Agreement**”) with Gary Burnison, pursuant to which he will continue to serve as the Company’s Chief Executive Officer. The Amended Agreement supersedes Mr. Burnison’s prior employment agreement with the Company, dated as of July 25, 2014.

The Amended Agreement will be terminable on notice by either party (on ninety days’ notice if by Mr. Burnison, or 30 days’ notice in the case of termination for “Good Reason”, as defined in the Amended Agreement). It provides for the following annual compensation: (1) an annual base salary of \$910,000; (2) participation in the Company’s annual cash incentive plan with an annual target award of 120% of annual base salary and the ability to earn additional amounts up to a maximum cash award of 240% of annual base salary; and (3) subject to approval of the Compensation Committee of the Board of Directors, participation in the Company’s equity incentive program. In addition, Mr. Burnison is eligible to participate in employee benefit plans, arrangements and programs maintained from time to time by the Company for the benefit of senior executives.

The Amended Agreement provides for a Retention Award in the amount of \$5 million that will cliff vest on the fourth anniversary of the date of the Amended Agreement (the “**Retention Vesting Date**”). It will be paid in equal monthly installments in cash (without 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 Amended 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.

Termination by the Company without Cause or termination by Mr. Burnison for Good Reason, (collectively, an “**Involuntary Termination**”) on or after the Retention Vesting Date will not result in cash severance benefits (other than reimbursement of COBRA coverage premiums as described below). However, in the event of such a termination Mr. Burnison will receive a prorated annual cash incentive for the year of termination, based on actual performance for the year (or based on target if such termination is within 12 months after a Change in Control).

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), all unvested equity awards granted on or after the date of the Amended Agreement (and at least 90 days prior to such termination, other than with respect to 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, nonsolicitation and noncompetition. As an exception, the post-Change in Control double trigger equity severance vesting rules described below would continue to apply in the event of Involuntary Termination within 12 months after a Change in Control (as defined in the Amended Agreement).

Under the Amended Agreement, if Mr. Burnison’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 Mr. Burnison and his dependents for as long as such coverage was available under COBRA. In addition, any unvested amount of the Retention Award would vest.

If the Company terminates Mr. Burnison’s employment for Cause at any time or he voluntarily terminates his employment without Good Reason prior to the Retention Vesting Date, then the Company would pay him accrued compensation through the date of termination.

If Mr. Burnison's employment is Involuntarily Terminated prior to a Change in Control or more than 12 months after a Change in Control (and in any event prior to the Retention Vesting Date), 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) 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 during the four year vesting period; (4) for up to 18 months after termination, reimbursement of COBRA coverage premiums for him and his dependents for as long as such coverage was available under COBRA; (5) vesting on the date of termination of all outstanding stock options, other equity-type incentives, other long term awards and all benefits held under the ECAP (excluding performance awards) (collectively, the "Time Vested Awards") that would have vested within 12 months of his termination; and (6) for performance awards, a pro rata award of performance awards based on actual performance through the entire performance period and the number of days Mr. Burnison was employed during the performance period plus an additional year (provided this number of days does not exceed the number of days in the performance period). However, if such Involuntary Termination occurs on or after the second anniversary and before the third anniversary of the date of the Amended Agreement, Mr. Burnison would instead receive two years of additional vesting for Time Vested Awards and pro rata plus two years (but not more than the entire performance period) vesting on future performance awards (based on actual performance for the entire performance period). For Involuntary Terminations on or after the third anniversary of the date of the Amended Agreement, Mr. Burnison would continue to vest in accordance with the terms of the Time Vested Awards and future performance awards, disregarding such termination.

The Amended Agreement also provides that if Mr. Burnison's employment is Involuntarily Terminated within 12 months following a Change in Control (and in any event prior to the Retention Vesting Date), 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) cash payments equal to the greater of (i) the sum of two times his current annual base salary and two times his target annual cash incentive award, or (ii) the Retention 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; (6) a pro rata award of performance awards based on the greater of the Company's actual performance and target performance and the number of days in the performance period prior to the Change in Control; and (7) a pro rata award of performance awards based on target performance and the number of days remaining in the performance period after the Change in Control.

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

In addition, in the event of a Change in Control, the Amended Agreement provides 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 Mr. Burnison, 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 Amended Agreement also provides for indemnification of Mr. Burnison 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 Amended Agreement is attached as Exhibit 10.1 to this Report.

Item 9.01. Financial Statements and Exhibits.

(d) List of Exhibits

<u>Exhibit No.</u>	<u>Description</u>
Exhibit 10.1	<u>Amended and Restated Employment Agreement dated March 30, 2018 between the Company and Gary Bumison</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KORN/FERRY INTERNATIONAL
(Registrant)

Date: April 4, 2018

/s/ Jonathan Kuai

(Signature)

Name: Jonathan Kuai

Title: General Counsel and Corporate Secretary

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into on March 30, 2018 (the "Effective Date"), by and between KORN/FERRY INTERNATIONAL, 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 July 25, 2014 (the "Prior Agreement"). This Agreement is an amendment and complete restatement, and supersedes in the entirety, the Prior Agreement.

1. Employment. The Company agrees to continue to employ Executive and Executive agrees to be employed by the Company, without interruption, upon the terms and conditions set forth in this Agreement.

2. At-Will Employment. Executive's employment under this Agreement commences on the Effective Date. 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.

3. 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.

4. Compensation. In consideration of Executive's services to the Company pursuant to this Agreement, Executive's compensation shall be as follows:

(a) Base Salary. Executive shall be entitled to receive a base salary of \$75,833.33 per month (his "Base Salary") (\$910,000 on an annualized basis) (such annualized amount, his "Annual Base Salary"), paid in accordance with the Company's regular payroll practices. The Board will review the level of Executive's Base Salary at least annually, beginning in May 2019. The Board, acting in its discretion, may increase (but may not decrease) Executive's Base Salary

at any time, unless the Board 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.

(b) 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 Executive's Annual Base Salary, with the ability to earn additional amounts up to a maximum cash award equal to 240% 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 and Personnel Committee of the Board (the "Compensation Committee") in its discretion based on competitive compensation peer market data.

(c) 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 International 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 attributable to performance for the Company's 2018 fiscal year. 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 and competitive compensation peer market data.

(d) 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, 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.

(e) 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 the Effective Date, 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 twelve (12) 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 (ii) due to Executive's Disability, Section 6(b) shall apply.

5. Employee Benefit Programs and Perquisites.

(a) 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, including four weeks paid vacation.

(b) 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, subject to the Company's expense reimbursement policies applicable to senior executive officers generally.

6. Termination of Employment.

(a) 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), and all outstanding stock options and other equity-type incentives held by Executive (but expressly excluding performance-based restricted stock unit awards and other performance-based equity compensation awards (collectively, the "Performance Shares")) and all of Executive's benefits under the Executive Capital Accumulation Plan at the time of Executive's death will become fully vested and 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 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 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 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 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.

(b) 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 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) and all outstanding stock options and other equity-type incentives (but expressly excluding Performance Shares) held by Executive and all of Executive's benefits under the Executive Capital Accumulation Plan at Executive's termination date will become fully vested and 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 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 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 the Effective Date, 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 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 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.

(c) Termination by the Company for Cause or Voluntary Termination by Executive. 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).

(d) Termination by the Company Without Cause or by Executive for Good Reason Prior to a Change in Control or More Than 12 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 12 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, 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 solely if such termination of employment occurs prior to the Retention Vesting Date:

(1) the Company shall pay to Executive, in the aggregate, cash payments equal to the greater of (i) the sum of one and one-half times Executive's then current Annual Base Salary and one and one-half times Executive's 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 the Effective Date to the date Executive's employment terminates and the denominator of which is one thousand four hundred and 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) (I) for any such termination occurring prior to the second anniversary of the Effective Date, 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) (collectively and individually, "Time-Based Incentives") that would have vested in the twelve (12) months following the date Executive's employment terminates (in each case, as if such options, incentives and benefits permitted proportionate vesting in monthly increments rather than any longer increment) will become fully vested as of the date Executive's employment terminates;

(II) for any such termination occurring on or after the second anniversary and before the third anniversary of the Effective Date, the Time-Based Incentives that would have vested in the twenty-four (24) months following the date Executive's employment terminates (in each case, as if such Time-Based Incentives permitted proportionate vesting in monthly increments rather than any longer increment) will become fully vested as of the date Executive's employment terminates;

(III) for any such termination occurring on or after the third anniversary and prior to the Retention Vesting Date, the Time-Based Incentives will continue to vest in accordance with their terms (disregarding such termination);

(IV) in the case of Time-Based Incentives granted on or after the Effective Date, vesting due to termination 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; and

(V) for any such termination occurring any time after the Effective Date, the vested Time-Based Incentives 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 in the case of clause (III), if applicable) and (y) its originally scheduled expiration date; and

(4) (I) for any such termination occurring prior to the second anniversary of the Effective Date, Executive shall receive, from then-outstanding Performance Share awards a number of Performance Shares equal to the product of (A) the Performance Shares 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 (B) a fraction, (x) the numerator of which fraction shall be the sum of (i) the number of days of Executive's employment during the Performance Period and (ii) 365 (provided that the numerator shall not exceed the number of days in the Performance Period) and (y) the denominator of which fraction shall be the number of days in the Performance Period;

(II) for any such termination occurring on or after the second anniversary and before the third anniversary of the Effective Date, Executive shall receive, from then-outstanding Performance Share awards, a number of Performance Shares equal to the number provided in Section 6(d)(4)(I) except that that the number in clause (ii) of the numerator thereof shall be 730 (and not 365);

(III) for any such termination occurring on or after the third anniversary of the Effective Date and prior to the Retention Vesting Date, Executive shall 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 based on the Company's actual performance over the entire Performance Period; and

(IV) in each such case under clauses (I), (II) and (III), such Performance Shares will be payable to Executive at the same time Performance Shares are paid to executives generally for the applicable Performance Period.

In the event that Executive is granted any long term performance-based incentive awards denominated other than as Performance Shares, such other awards shall be treated in a like manner as Performance Shares under this Section 6(d)(4) with equitable consideration of the manner of denomination of such awards. 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 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) thereafter). Notwithstanding the foregoing, this Section 6(d)(4) shall not apply to Performance Shares that were granted prior to the Effective Date, and such Performance Shares will be covered by the Prior Agreement, i.e., they will be treated as set forth in Section 6(d)(4)(I) and Section 6(d)(4)(IV) above.

(e) 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 12 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), and a pro rata portion of Executive's target annual cash incentive award established for the fiscal year in which Executive's employment terminates (based on the number of days of Executive's actual service to the Company during such fiscal year), and

(1) except as set forth in the last sentence of this Section 6(e) below, the Company shall pay to Executive, in the aggregate, cash payments equal to the greater of (i) the sum of two (2) times Executive's then current Annual Base Salary and two (2) times Executive's target annual cash bonus, or (ii) the amount of the Retention Award; 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 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;

(4) Executive shall receive, from then-outstanding Performance Share awards, a number of Performance Shares equal to the product of (A) the greater of the target number of Performance Shares so granted or 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 Company's actual performance for the entire Performance Period as reasonably projected by the Committee immediately prior to the Change in Control, and (B) a fraction, (x) the numerator of which fraction shall be the number of days between the start of the Performance Period and the effective date of the Change in Control and (y) the denominator of which fraction shall be the number of days in the Performance Period; and

(5) Executive shall receive, from then-outstanding Performance Share awards, a number of Performance Shares equal to the product of (A) the 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, and (B) a fraction, (x) the numerator of which fraction shall be the number of days between the effective date of the Change in Control and the end of the Performance Period and (y) the denominator of which fraction shall be the number of days in the Performance Period.

In the event that Executive is granted any long term performance-based incentive awards denominated other than as Performance Shares, such other awards shall be treated in a like manner as Performance Shares under Section 6(e)(4) and Section 6(e)(5), as applicable, with equitable consideration of the manner of denomination of such awards. Notwithstanding any

provision of this Agreement to the contrary, clause (1) of this Section 6(e) shall terminate on the Retention Vesting Date, and no amount shall be payable under such clause in the case of any termination of employment that occurs on or after such date (but, for the avoidance of doubt, the benefit under clause (2) of this Section 6(e) and the pro rata portion of Executive's annual bonus provided in this Section 6(e) shall not terminate on the Retention Vesting Date).

(f) Section 4999. 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 an accounting firm (the "Auditor") jointly selected by the Company and Executive and paid by the Company. The Auditor shall be a nationally recognized United States public accounting firm 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. If Executive and the Company cannot agree on the firm to serve as the Auditor, then Executive and the Company shall each select one such accounting firm and those two firms shall jointly select such an accounting firm to serve as the Auditor. Absent manifest error, the determinations by the Auditor shall be binding upon the Company and Executive.

(g) 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, except that Executive shall not be entitled to severance or salary continuation benefits under any severance or salary continuation plan.

(h) 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 thirty (30) days after 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, and such release becomes fully effective and irrevocable under applicable law. Additionally, 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 following: Heidrick & Struggles, Manpower, Kelly Services, Spencer Stuart, Russell Reynolds, Egon Zehnder and/or Spherion (each a "Listed Entity") 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.

(i) 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) shall be deemed earned unless Executive was employed with the Company as of the last day of the fiscal year to which such award applies).

(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 advanced 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. Application of Section 409A. 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 incurrance of any additional tax or interest under Section 409A, such payment or benefit will be delayed until the date which is six (6) months after Executive’s “separation from service” within the meaning of Section 409A. The Company and 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. 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.

8. 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 benefit plans shall result in an offset against 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.

(a) 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.

(b) 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, finances, and 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.

(c) 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.

(d) 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) and if such assistance is provided after Executive's termination of employment, will pay Executive a per diem rate of \$2,000.

10. Nonsolicitation. Executive shall not 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 for any, or no, reason.

11. 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. 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 on the ground that no violation or threatened violation of either such Section has occurred.

12. 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.

(a) Company Indemnity. 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.

(b) 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.

(c) 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.

14. 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.

15. 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 \$35,000 in the aggregate for all such expenses.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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 permitted by law.

21. 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).

22. 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.

23. 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.

24. 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.

25. 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 INTERNATIONAL
1900 Avenue of the Stars, Suite 2600
Los Angeles, CA 90067
Attention: Corporate Secretary

If to Executive:

at his last address shown on the payroll
records of the Company

26. 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

27. 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, Executive shall confirm the foregoing by submitting to the Company a written confirmation of Executive's resignations.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed this Employment Agreement on the date first above written.

The Company:

KORN/FERRY INTERNATIONAL

By: /s/ Jerry Leamon

Jerry Leamon

Its: Chair of the Compensation and Personnel
Committee of its Board of Directors

Executive:

/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 International; 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 International 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 International, 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.