

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

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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

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

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Korn/Ferry International

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

Fee paid previously with preliminary materials.

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

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

NOTICE OF 2016
ANNUAL
STOCKHOLDERS'
MEETING
AND PROXY
STATEMENT

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

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DEAR FELLOW STOCKHOLDERS

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

FY 2016 Financial Accomplishments and Stockholder Value

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

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

We are the new Korn Ferry.

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

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

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

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

Korn Ferry Futurestep delivers professional talent with impact.

Continued Alignment of Compensation and Performance

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

Leading Corporate Governance Practices

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

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

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

Sincerely,

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

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NOTICE OF 2016 ANNUAL MEETING

MEETING INFORMATION

Date: October 6, 2016

Time: 8:00 a.m. Pacific Time

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

Record Date: August 17, 2016

MEETING AGENDA

To the Stockholders:

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

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

Elect the seven directors nominated by our Board of Directors and named in the Proxy Statement accompanying

1. this notice to serve on the Board of Directors until the 2017 Annual Meeting of Stockholders and until their successors have been duly elected and qualified, subject to their earlier death, resignation or removal;

2. Vote on a non-binding advisory resolution regarding the Company’s executive compensation;

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

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

RECOMMENDATION OF THE BOARD

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

Please read the proxy materials carefully.

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

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

Jonathan Kuai
General Counsel and Corporate Secretary

The Proxy Statement and accompanying Annual Report to Stockholders are available at www.proxyvote.com.

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PROXY SUMMARY

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

Annual Meeting of Stockholders (page 73)

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

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

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

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

Voting Matters (page 73)

1 Election of Directors

Page Reference (for more detail) page 8

Board Vote Recommendation
FOR each Director Nominee

2 Advisory Resolution on Executive Compensation

Page Reference (for more detail) page 24

Board Vote Recommendation
FOR

3 Approval of Third Amended and Restated 2008 Stock Incentive Plan

Page Reference (for more detail) page 56

Board Vote Recommendation
FOR

4 Ratification of Independent Registered Public Accounting Firm

Page Reference (for more detail) page 66

Board Vote Recommendation
FOR

How to Cast Your Vote (page 73 – 74)

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

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

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

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

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

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

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

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

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BUSINESS HIGHLIGHTS FOR FISCAL YEAR 2016

Transformational acquisition of legacy Hay Group, which has:

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

Our **TSR rated #2** among our 15 peer group companies **\$21.8 Million dollars returned to stockholders** in FY '16 via quarterly dividends

Governance of the Company (page 15)

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

Governance Insights (pages 15, 32, and 68)

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

AGEFY '16 TENUREDIRECTOR INDEPENDENCE

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BOARD NOMINEES (PAGES 11 – 14)

Doyle N. **BENEBY**

Director

Age: **56**

Director Since: **2015**

Independent: **Yes**

Committee Memberships:

Nominating and Corporate Governance

Experience/Qualification:

Former CEO of New Generation Power International.

Former President and CEO of CPS Energy.

Brings extensive executive management experience in the energy industry.

Gary D. **BURNISON**

Director and President/CEO, of Korn Ferry

Age: **55**

Director Since: **2007**

Independent: **No**

Committee Memberships: –
Experience/Qualification:

President and CEO of the Company.

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

William R. **FLOYD**

Director

Age: **71**

Director Since: **2012**

Independent: **Yes**

Committee Memberships:

Compensation and Personnel

Nominating and Corporate Governance

Experience/Qualification:

Former Chairman of the Board of Buffet Holdings, Inc.

Brings extensive executive management experience in the service industry.

Christina A. **GOLD**

Director

Age: **68**

Director Since: **2014**

Independent: **Yes**

Committee Memberships:

Compensation and Personnel

Experience/Qualification:

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

Jerry P. **LEAMON**

Director

Age: **65**

Director Since: **2012**

Independent: **Yes**

Committee Memberships:

Compensation and Personnel (Chair)

Audit

Experience/Qualification:

Former Global Managing Director of Deloitte & Touche.

Brings financial accounting expertise and extensive global professional services experience.

Debra J. **PERRY**

Director

Age: **65**

Director Since: **2008**

Independent: **Yes**

Committee Memberships:

Audit (Chair)

Nominating and Corporate Governance

Experience/Qualification:

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

George T. **SHAHEEN**

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

Age: **72**

Director Since: **2009**

Independent: **Yes**

Committee Memberships:

Nominating and Corporate Governance (Chair)

Experience/Qualification:

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

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

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

* See footnote disclosure to table on page 41.

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

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

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Compensation Process Highlights (pages 19 and 28 – 31)

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

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

Best Practices (page 28)

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

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

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

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

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

Elements of Compensation (pages 31 – 38)

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

Forward-Looking Statements

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

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01

GOVERNANCE

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Proposal No. 1

ELECTION OF DIRECTORS

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

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

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

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

REQUIRED VOTE

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

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

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

RECOMMENDATION OF THE BOARD

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

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THE BOARD OF DIRECTORS

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

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

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

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

DIRECTOR QUALIFICATIONS

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

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

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

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

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

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BOARD DIVERSITY

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

BOARD DIVERSITY

DIRECTOR TENURE

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

FY '16 TENURE

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

BACKGROUND INFORMATION REGARDING DIRECTOR NOMINEES

Board Qualifications and Skills:

Extensive Senior Leadership/Executive Officer Experience: Previously served in a multitude of senior leadership positions, including as former Chief Executive Officer of New Generation Power International, as President and Chief Executive Officer of CPS Energy, and various leadership roles at PECO Energy and Exelon Power, where he served as President.

Doyle N.
BENEBY

Director Since:
2015

Broad Energy Industry Experience: Over 30 years of experience in the energy industry, with expertise in many facets of the electric & gas utility industry.

**Former Chief
Executive Officer
- CPS Energy**

Other Directorships:

Age: **56** Capital Power Corporation, Quanta Services, University of Texas Energy Institute, Argonne National Laboratory and University of Miami (Trustee).

Mr. Beneby is currently an independent consultant. Mr. Beneby served as Chief Executive Officer of New Generation Power International, a start up international renewable energy company, based in Chicago, Illinois, from November 2015 until May 2016. Prior to that, Mr. Beneby served as President and Chief Executive Officer of CPS Energy, the largest municipal electric and gas utility in the nation, from July 2010 to November 2015. Prior to joining CPS Energy, Mr. Beneby served at Exelon Corporation from 2003 to 2010 in various roles, most recently, as President of Exelon Power and Senior Vice President of Exelon Generation from 2009 to 2010. From 2008 to 2009, Mr. Beneby served as Vice President, Generation Operations for Exelon Power. From 2005 to 2008, Mr. Beneby served as Vice President, Electric Operations for PECO Energy, a subsidiary of Exelon Corporation. Mr. Beneby serves on the boards of numerous energy industry organizations such as Capital Power Corporation, Argonne National Laboratory, Keystone Center & Energy Board (Trustee) and University of Texas Energy Institute. Mr. Beneby also serves as a Trustee for his alma mater, the University of Miami.

Board Qualifications and Skills:

High Level of Financial Experience: Substantial financial experience gained in roles as President, Chief Executive Officer and as former Chief Financial Officer and Chief Operating Officer of the Company, as Chief Financial Officer of Guidance Solutions, as an executive

Gary D.
BURNISON

Director Since: officer of Jefferies and Company, Inc. and as a partner at KPMG Peat Warwick.
2007

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

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

Age: **55**

Other Directorships:

N/A

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

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Board Qualifications and Skills:

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

William R. **FLOYD**

Director Since:
2012

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

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

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

Other Directorships:

Age: **71**

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

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

Board Qualifications and Skills:

Christina A. **GOLD**

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

Director Since: 2014

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

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

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

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

Age: **68**

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

Other Directorships:

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

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

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Board Qualifications and Skills:

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

Jerry P.
LEAMON

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

Director Since:
2012

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

**Former Global
Managing
Director Deloitte**

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

Age: 65

Other Directorships:

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

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

Board Qualifications and Skills:

Debra J. PERRY

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

Director Since: 2008

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

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

Moody's Investors Service, Inc.

appointed chair of audit committee in 2010).

Age: 65

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

Other Directorships:

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

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

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Board Qualifications and Skills:

George T.
SHAHEEN

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

Director Since:
2009

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

**Chair of the
Board**

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

Other Directorships:

Age: **71**

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

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

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CORPORATE GOVERNANCE

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

Board Structure

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

Stockholder Rights

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

Other Highlights

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

GOVERNANCE INSIGHTS: BOARD EDUCATION

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

Question: How important is Board education to the Company?

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

abreast of the latest emerging trends in corporate governance.

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

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

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

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DIRECTOR INDEPENDENCE

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

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

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

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

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

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

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

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

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

DIRECTOR INDEPENDENCE

BOARD LEADERSHIP STRUCTURE

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

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BOARD'S OVERSIGHT OF ENTERPRISE RISK AND RISK MANAGEMENT

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

Assessment of Risk Related to Compensation Programs

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

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BOARD COMMITTEES

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

Audit Committee