
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): 05/08/2013

HEIDRICK & STRUGGLES INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Commission File Number: 0-25837

Delaware
(State or other jurisdiction of
incorporation)

36-2681268
(IRS Employer
Identification No.)

233 S. Wacker Dr., Suite 4200, Chicago, IL 60606
(Address of principal executive offices, including zip code)

312-496-1200
(Registrant's telephone number, including area code)

(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:

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

On May 9, 2013, Heidrick & Struggles International, Inc. ("Heidrick & Struggles" or the "Company") announced that Karen K. Pepping has been appointed as the Senior Vice President, Chief Accounting Officer and Controller of the Company. A copy of this announcement is attached hereto as Exhibit 99.1. Prior to this appointment Ms. Pepping served as the Company's Senior Vice President, and Controller beginning February 25, 2013.

Before joining the Company, Ms. Pepping, age 48, served as the Vice President of Finance & Accounting of AAR Corp, a publicly held provider of value-added products and services to the worldwide aerospace and government/defense industries from March 2012 until February 2013. Ms. Pepping also served as Vice President and Controller of Nicor Inc., from July 2006 until December 2011. Ms. Pepping joined Nicor Inc. in July 2003 as Assistant Controller and served as Assistant Vice President and Controller from June 2005 until July 2006. She is a certified public accountant, has a master's degree in finance and has over 25 years of experience in the accounting field.

The Company entered into an employment agreement with Ms. Pepping as of February 26, 2013 in connection with her employment with the Company, which was amended in connection with her appointment as chief accounting officer as of May 8, 2013. The agreement provides for an annual base salary of \$265,000, participation in the company's Management Incentive Plan ("MIP") at the Tier II level, a target bonus opportunity equal to 50% of base salary, participation in the Company's Management Severance Pay Plan ("Severance Plan") at the Tier II level, participation in the Company's equity programs, and participation in the Company's benefit plans at the same level as other senior executives. Full descriptions of the Company's benefit and compensation plans are contained in the Company's proxy statement which was filed with the SEC on April 24, 2013 and is incorporated herein by reference. The agreement contains one-year post-termination non-solicitation and non-competition restrictions. A copy of the employment agreement between the Company and Ms. Pepping is attached hereto as Exhibit 99.2 and is incorporated herein by this reference. The foregoing description of the terms of the Agreement is qualified in its entirety by reference to the full text of the Agreement.

Item 9.01. Financial Statements and Exhibits

99.01 Heidrick & Struggles International, Inc. Press Release dated May 9, 2013.

99.02 Employment Agreement by and between Heidrick & Struggles International, Inc. and Karen K. Pepping as of May 8, 2013.

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.

HEIDRICK & STRUGGLES INTERNATIONAL, INC.

Date: May 10, 2013

By: /s/ Stephen W. Beard

Stephen W. Beard
EVP, General Counsel and Chief Administrative Officer

EXHIBIT INDEX

Exhibit No.	Description
EX-99.01	Press Release dated May 8, 2013.
EX-99.02	Employment Agreement by and between Heidrick & Struggles International, Inc. and Karen K. Pepping as of May 8, 2013

HEIDRICK & STRUGGLES STRENGTHENS CORPORATE TEAM

Enhancing Functions To Drive Operational Excellence

CHICAGO, May 9, 2013 -- Heidrick & Struggles International, Inc. (Nasdaq: HSII), the premier professional services firm focused on serving the leadership needs of top organizations globally, today announced the arrival of Karen Pepping as Senior Vice President, Controller and Chief Accounting Officer, Karleen Mussman as Senior Vice President, Human Resources and Cynthia Lance as Senior Vice President and Deputy General Counsel. All three senior leaders will be based out of the firm's global headquarters in Chicago.

* Karen Pepping, will report directly to Chief Financial Officer, Richard Pehlke. She will be responsible for the company's accounting, financial reporting and tax functions worldwide. Pepping brings 27 years of experience, which includes senior finance roles at a number of world-class companies. Most recently, Pepping was Vice President, Finance & Accounting of AAR Corp., where she led investor relations, forecasting, financial analysis and SEC reporting. Prior to joining AAR, she served in financial and accounting leadership positions at Nicor Inc., Wallace Computer Services, Inc. and Tellabs Inc. Pepping began her career in public accounting at BDO Siedman LLP. She is a Certified Public Accountant and earned a MBA in finance from DePaul University.

* Karleen Mussman, will be responsible for leading the company's Human Resources functions worldwide and will report directly to Executive Vice President, General Counsel and Chief Administrative Officer, Stephen Beard. Mussman brings 22 years of human resources and management experience at leading organizations to the company. Most recently, she served as HR Leader, Americas at A.T. Kearney. Previously, she spent four years at BP, where she held several high level positions, including Global HR Director. Mussman has also served on various global HR committees and internal advisory boards over the last several years, most notably around Diversity & Inclusion best practices, global recruitment, values and behaviors change management. She holds dual bachelor degrees in Spanish and Psychology from Indiana University, as well as a Master of Science degree in Human Resources from Loyola University Chicago.

* Cynthia Lance, will assist in leading the company's Legal function worldwide and have the primary responsibility for providing legal support on corporate matters, including strategic and commercial transactions, regulatory, governance matters and securities compliance. Lance will also report directly to Stephen Beard. Lance brings 16 years of legal and management experience to the Company - primarily in the financial services industry. Most recently, she served as Executive Vice President and Corporate Secretary at First Midwest Bancorp. Previously, she served as Assistant General Counsel at CBOT Holdings (currently CME Group). Lance began her legal career at Sonnenschein Nath & Rosenthal (currently Dentons) practicing in that firm's corporate and securities group. She holds a bachelor's degree in English from the University of Louisville and a juris doctorate from the University of Louisville Brandeis School of Law.

"We are very pleased to have Karen, Karleen and Cindy joining the firm," said Pehlke. "With the addition of their individual and collective expertise, we can be more nimble, efficient and responsive in supporting our operations around the globe. We are delighted to have such dynamic leaders joining the Heidrick & Struggles family."

About Heidrick & Struggles International, Inc.

Heidrick & Struggles International, Inc., (Nasdaq:HSII) is the premier provider of senior-level Executive Search, Culture Shaping and Leadership Consulting services. For 60 years, we have focused on quality service and built strong leadership teams through our relationships with clients and individuals worldwide. Today, Heidrick & Struggles leadership experts operate from principal business centers in North America, Latin America, Europe and Asia Pacific. For more information about Heidrick & Struggles, please visit www.heidrick.com.

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May 8, 2013

Karen Pepping

Dear Karen:

On behalf of Heidrick & Struggles, Inc. ("HSI" or the "Company"), I am pleased to confirm the terms of your promotion to the position of Senior Vice President, Chief Accounting Officer and Controller of the Company in this letter agreement (the "Agreement"). All amounts in this Agreement are denominated in U.S. dollars. This Agreement shall constitute the entire agreement between you and the Company relating to your employment, and shall supersede all prior agreements, arrangements, representations or promises, whether oral or written.

1. **Effective Date:** The effective date of this Agreement shall be May 8, 2013.
2. **Title:** You will serve as Senior Vice President, Chief Accounting Officer and Controller, reporting directly to the Executive Vice President and Chief Financial Officer.
3. **Location:** You will be based in the Company's Chicago Corporate office.
4. **Base Salary:** You will receive a monthly salary of \$22,083.33 (which is equivalent to \$ 265,000.00 annually) payable at the end of each month.
5. **Management Incentive Plan (MIP) Participation:** You will participate in the MIP at the Tier II level. Consequently, you will receive consideration for annual equity grants as part of your performance and compensation review. Annual equity awards are subject to the approval of the HRCC.
6. **Management Bonus:** You will be eligible for a target management bonus equal to 50% of your base salary. For 2013, you will be eligible for a target management bonus equal to \$113,623.29, which reflects the pro ration of your target management bonus for the period February 25, 2013 to December 31, 2013. Notwithstanding the foregoing, for 2013 you will be eligible for a bonus of not less than \$56,811.64 (this reflects 50% of your pro-rated target bonus), subject to your continued employment with the Company. Bonuses earned and payable beyond 2013 will be payable per the Company's policy at that time. All bonuses are discretionary and are not earned until reviewed and approved by the Human Resources and Compensation Committee ("HRCC") of the Board of Directors of Heidrick & Struggles International, Inc. ("HSII"), the parent company of HSI. Bonuses are only payable if you are employed by the Company on the date such bonus is paid.
7. **Incentive Compensation and Other Plans:** You will be eligible to participate in certain other management compensation plans, including the Management Severance Pay Plan and Summary Plan Description as a Tier II executive, as such plans may be amended from time to time.
8. **Sign-on Bonus:** In connection with your initial employment with the Company, you were paid a sign on bonus of \$80,000.00 (the "Sign-On"), less all applicable withholdings and deductions required by law. In the event that you voluntarily resign or the Company terminates your employment for "Cause," as defined below, in each case within two years of the payment date for the Sign-On, you will reimburse the Company the full Sign-On amount reduced on a pro-rata basis by one twenty-fourth (1/24th) per full month of service. Any applicable repayment shall be made within fifteen (15) business days following the effective date of your departure from the Company.
9. **Benefits:** You will be eligible to participate in the Company's benefits program to the same extent as other employees at your level. Our benefits program includes group health, dental, vision, life/AD&D, long-term disability, short-term disability salary continuation, paid holidays, flexible spending accounts, the Heidrick & Struggles, Inc. 401(k) Profit Sharing and Retirement Plan, and the Deferred Compensation Plan. You will also be eligible to participate in the Company's Physical Examination and Financial Planning Program. Your eligibility for all such programs and plans is determined under the terms of those programs/plans. Any discrepancy between this summary and the company's plan documents will be resolved in favor of the plan documents. Our benefits program, compensation programs, and policies are reviewed from time to time by Company management and may be modified, amended, or terminated at any time.
10. **Employment Authorization:** Pursuant to the Immigration and Nationality Act, the Company is required to verify the identity and employment authorization of all new

hires. In order to comply with this legal obligation, the Company must complete an Employment Eligibility Verification Form I-9 within three days of an employee's hire date. The Company acknowledges you have already provided the Company with information that fulfills these requirements.

11. **Business Expenses:** The Company will reimburse you for your business expenses in accordance with its policies.

12. **Compliance with Policies:** Subject to the terms of this Agreement, you agree that you will comply in all material respects with all policies and procedures applicable to similarly situated employees of the Company, generally and specifically.

13. **Termination of Employment:**

a. **Employment at Will:** You will be an "employee at will" of the Company, meaning that either party may terminate the employment relationship at any time for any reason (with or without cause or reason) upon written notice to the other party. A period of notice shall only be required if it is expressly provided in writing under written Company employment policies in effect at the time of such termination.

b. **No Notice Period in Case of Termination for Cause:** Notwithstanding any period of notice under written Company employment policies in effect at the time of termination, the Company shall have the right to terminate your employment for Cause immediately upon written notice.

c. **Compensation Upon Termination:** Upon the termination of your employment, you will be paid your Base Salary up through your last day of work (the "Termination Date"), and any other amounts required by law. You will also be entitled to participate in the Management Severance Pay Plan as a Tier II executive; as such plans may be modified or amended from time to time.

d. **Definition of Cause:** For purposes of this Agreement, "Cause" shall mean any of the following: (i) your engagement, during the performance of your duties hereunder, in acts or omissions constituting dishonesty, gross negligence, fraud, intentional breach of fiduciary obligation or intentional wrongdoing or malfeasance; (ii) your indictment of, or plea of nolo contendere to, a crime constituting a (x) a felony under the laws of the United States or any state thereof or (y) misdemeanor involving moral turpitude; (iii) your material violation or breach of any provision of this Agreement; (iv) your unauthorized use or disclosure of confidential information pertaining to the Company's business; (v) any act or omission by you which results in the restatement of the financial statements of HSII or a subsidiary of HSII; (vi) your engagement in conduct causing demonstrable injury to the Company or its reputation; (vii) your unreasonable failure or refusal to perform your duties as the Company reasonably requires, to meet goals reasonably established by the Company or its affiliates, or to abide by the Company's policies for the operation of its business, and the continuation thereof after the receipt by you of written notice from the Company; (viii) your habitual or gross use of alcohol or controlled substances which interferes with the performance of your duties and obligations on behalf of the Company; or (ix) your death or Disability, as hereinafter defined. For purposes of this Agreement, "Disability" shall mean that you have been unable, for six (6) consecutive months, to perform your duties under this Agreement even with accommodation, as a result of physical or mental illness or injury. The determination of whether the Executive has been terminated for "Cause" will be made at the sole discretion of the HRCC.

e. **Return of Materials:** Upon the termination of your employment, you agree to return to the Company, all Company property, including all materials furnished to you during your employment (including but not limited to keys, computers, automobiles, electronic communication devices, files and identification cards) and all materials created by you during your employment. In addition, you agree that upon the termination of your employment you will provide the Company with all passwords and similar information that will be necessary for the Company to access materials on which you worked or to otherwise continue in its business.

14. **Confidentiality:** In the course of your employment with the Company, you will be given access to and otherwise obtain knowledge of certain trade secrets and confidential and proprietary information pertaining to the business of the Company and its affiliates. During the term of your employment with the Company and thereafter, you will not, directly or indirectly, without the prior written consent of the Company, disclose or use for the benefit of any person, corporation or other entity, or for yourself, any trade secrets or other confidential or proprietary information concerning the Company or its affiliates, including, but not limited to, information pertaining to their clients, services, products, earnings, finances, operations,

marketing, methods or other activities; provided, however, that the foregoing shall not apply to information which is of public record or is generally known, disclosed or available to the general public or the industry generally (other than as a result of your breach of this covenant or the breach by another employee of his or her confidentiality obligations). Notwithstanding the foregoing, you may disclose such information as is required by law during any legal proceeding or to your personal representatives and professional advisers as is required for purposes of rendering tax or legal advice, and, with respect to such personal representatives and professional advisers, you shall inform them of your obligations hereunder and take all reasonable steps to ensure that such professional advisers do not disclose the existence or substance thereof. Further, you shall not, directly or indirectly, remove or retain, and upon termination of employment for any reason you shall return to the Company, any records, computer disks or files, computer printouts, business plans or any copies or reproductions thereof, or any information or instruments derived therefrom, arising out of or relating to the business of the Company and its affiliates or obtained as a result of your employment by the Company.

15. Non-Solicitation/Non-Competition: Without the prior written consent of the Company, during the term of your employment with the Company and for a period of six (6) months after the termination of your employment with the Company, either unilaterally by you or by the Company for Cause, you shall not (i) become engaged in or otherwise become interested in a role that provides or intends to provide similar services in the geographical area served during your employment; (ii) directly or indirectly solicit or assist any other person in soliciting any client of the Company with whom you had direct professional contact during the twelve (12) months immediately prior to the termination of your employment with the Company and during which you learned confidential information, or whose account you oversaw during your employment with the Company; (iii) directly or indirectly solicit, or assist any other person in soliciting, any employee of the Company or its affiliates (as of your termination of employment with the Company) or any person who, as of such date, was in the process of being recruited by the Company or its affiliates, or induce any such employee to terminate his or her employment with the Company or its affiliates; or (iv) hire or assist another person in hiring any employee of the Company or its affiliates who potentially possesses the Company's or its affiliate's confidential information for a position where the employee's knowledge of such information might be relevant. The provisions of this Section 15 shall be in addition to any restrictive covenants that are set forth in or otherwise required by Company benefit plans. In the case of a discrepancy between this Section and any such restrictive covenant, the more restrictive language will apply.

Each of the foregoing restrictions contained in Section 15 constitutes an entirely separate and independent restriction on you and shall be read and construed independently of the other undertakings and agreements herein contained. You and the Company agree that the restrictions contained in Section 15 are reasonable in scope and duration and are necessary to protect the Company's confidential information and other business interests. If any provision of Section 15 as applied to any party or to any circumstance is adjudged by an arbitrator or court of competent jurisdiction to be invalid or unenforceable, the same will in no way affect any other circumstance or the validity or enforceability of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the scope, duration or geographic area covered thereby, the parties agree that the court or arbitrator making such determination will have the power to reduce the scope and/or duration and/or geographic area of such provision, and/or to delete or revise specific words or phrases, and in its modified form, such provision will then be enforceable and will be enforced.

16. The parties agree and acknowledge that the breach of Section 14 or 15 will cause irreparable damage to the Company, and upon actual or threatened breach of any provision of either section the Company will be entitled to seek from a court of competent jurisdiction immediate injunctive relief, specific performance or other equitable relief without the necessity of posting a bond or other security and that this will in no way limit any other remedies which the Company may have (including, without limitation, the right to seek monetary damages).

17. Other Legal Matters:

a. No Other Agreements/Obligations: You have advised the Company that your execution and performance of the terms of this Agreement do not and will not violate any other agreement binding on you or the rights of any third parties and you understand that in the event this advice is not accurate the Company will not have any obligation to you under this Agreement.

b. Negotiation of Agreement: You acknowledge that you negotiated the terms of this Agreement with the Company and that you enter into this Agreement voluntarily.

- c. Applicable Legal Standards: You will be an employee of the Company's United States operations and agree that the laws of the United States of America and the State of Illinois shall govern your employment with the Company.
- d. Waiver of Jury Trial: Each of the parties hereto irrevocably waives any and all rights to trial by jury in any legal proceeding arising out of your employment or related to this Agreement or the transactions contemplated hereby.
- e. Notice: All notices and other communications under this Agreement shall be in writing to you at the above-referenced address or to the Company at its Chicago Corporate Office, directed to the attention of the General Counsel.
- f. Full and Complete Agreement: This letter Agreement contains our entire understanding with respect to your employment and can be amended only in writing and signed by the General Counsel. This Agreement supersedes any and all prior agreements, whether written or oral, between you and the Company that are not specifically incorporated by reference herein. You and the Company specifically acknowledge that no promises or commitments have been made that are not set forth in this letter.
- g. Severability: If any provision of this Agreement or the application thereof is held invalid, such invalidity shall not affect other provisions or applications of this Agreement that can be given effect without the invalid provision or application and, to such end, the provisions of this Agreement are declared to be severable.
- h. Survival of Provisions: The provisions of Sections 13 (b) and (c) and 14 through 16 of this Agreement shall survive the termination of your employment with the Company and the expiration or termination of this Agreement.

[Signature page follows]

Karen, I wish you all the best in your new role.

Sincerely,

/s/ Richard W. Pehlke

Richard W. Pehlke
Executive Vice President and Chief Financial Officer

I hereby accept the terms and conditions of promotion and employment outlined in this Agreement.

/s/ Karen Pepping

May 8, 2013

Karen Pepping

Date

Copy: L. Kevin Kelly, President & Chief Executive Officer
Stephen W. Beard, General Counsel, Chief Administrative Officer and Secretary