
**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): September 21, 2017

HEIDRICK & STRUGGLES INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-25837
(Commission File Number)

36-2681268
(IRS Employer
Identification No.)

233 South Wacker Drive, Suite 4900, Chicago, IL
(Address of principal executive offices)

60606-6303
(Zip Code)

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

N/A
(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 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

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.

CEO Employment Agreement

On July 6, 2017, Heidrick & Struggles International, Inc. (“HSII”) announced the appointment of Krishnan Rajagopalan as the Chief Executive Officer and President of HSII effective as of July 6, 2017.

On September 21, 2017, HSII entered into an employment agreement (“Agreement”) with Mr. Rajagopalan under which he will receive: (i) an annual base salary of \$850,000 per year; (ii) an annual cash bonus target opportunity equal to 150 percent of his base salary, subject to the attainment of certain performance goals established annually by the Board’s Human Resources and Compensation Committee (“HRCC”); and (iii) an annual long-term incentive equity award target opportunity equal to 150 percent of his base salary, subject to the attainment of certain performance goals established annually by the HRCC. Mr. Rajagopalan will participate in the Company’s (i) Management Incentive Plan (“MIP”) at the Tier I level; (ii) Change in Control Severance Plan (“CIC Plan”); (iii) Management Severance Pay Plan (“Severance Plan”) at the Tier I level; (iv) equity programs; and (v) vacation and benefit plans at the same level as other senior executives. The Agreement is effective as of July 6, 2017. Full descriptions of the Company’s benefit and compensation plans are contained in the HSII’s Definitive Proxy Statement on Schedule 14A, which was filed with the SEC on April 26, 2017 and is incorporated herein by reference.

In addition, in September 2017, HSII will grant Mr. Rajagopalan performance-vesting restricted stock units (“RSUs”) with a grant date fair value of \$1,000,000. The RSUs will be eligible to time vest ratably over three years, subject to the achievement of transformation performance objectives and metrics to be determined annually by the Board of Directors.

Mr. Rajagopalan’s Agreement also provides for severance payable upon termination without cause or resignation for good reason, as well as customary restrictive covenants in favor of HSII. A copy of Mr. Rajagopalan’s Agreement is attached hereto and incorporated herein by reference.

Chairman’s Letter Agreement Regarding Equity Awards

Mr. Tracy R. Wolstencroft was appointed the non-executive Chairman of the Board on July 6, 2017. HSII entered into an agreement (the “Letter Agreement”) with Mr. Wolstencroft on September 21, 2017 pursuant to which Mr. Wolstencroft voluntarily agreed, with the concurrence of the Board of Directors, to forfeit 100 percent of his 2017 Restricted Stock Unit and Performance Stock Unit grants. Mr. Wolstencroft remains eligible to continue vesting in 100 percent of his 2014 sign-on RSU grant, without proration, subject to his continued service on the board through the future scheduled vesting dates. With respect to his outstanding 2015 and 2016 RSUs and PSU grants, Mr. Wolstencroft remains eligible to earn an agreed upon pro-rata portion of the tranches scheduled to vest in 2017, 2018 and 2019, subject to his continued service as a director through the scheduled vesting dates (and with the performance goals for PSUs deemed

to have been achieved at target level performance), and he agreed to forfeit the remaining portions of such 2015 and 2016 RSU and PSU awards. A copy of Mr. Wolstencroft's Letter Agreement is attached hereto and incorporated herein by reference.

In connection with his appointment as Chair, Mr. Wolstencroft will receive the standard compensation for non-employee directors of HSII as set forth in the HSII's Definitive Proxy Statement on Schedule 14A, which was filed with the Securities and Exchange Commission on April 26, 2017, plus an annual retainer of \$75,000 for serving as non-executive chairman.

Lead Director Compensation

Mr. Richard I. Beattie was appointed the Lead Independent Director of the Board on July 6, 2017. Mr. Beattie will continue to receive the standard compensation for non-employee directors of HSII set forth in HSII's Definitive Proxy Statement on Schedule 14A, which was filed with the Securities and Exchange Commission on April 26, 2017, plus an annual retainer of \$40,000 for serving as the Lead Independent Director.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 [Employment Agreement between Heidrick & Struggles International, Inc. and Krishnan Rajagopalan dated September 21, 2017](#)

99.2 [Letter Agreement between Heidrick & Struggles International, Inc. and Tracy R. Wolstencroft dated September 21, 2017](#)

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.
(Registrant)

Date: September 21, 2017

By: /s/ Stephen W. Beard
Name: Stephen W. Beard
Title: Executive Vice President, General Counsel and
Chief Administrative Officer

HEIDRICK & STRUGGLES

233 South Wacker Drive,
Suite 4900, Chicago, IL 60606, United States
telephone +1 312 496 1200
facsimile +1 312 496 1290
www.heidrick.com

September 21, 2017

Krishnan Rajagopalan
Address on File with the Company

Dear Krishnan:

On behalf of Heidrick & Struggles International, Inc. ("**HSII**" or the "**Company**"), I am pleased to confirm the terms of your continued employment arrangement in this letter agreement (the "**Agreement**"). All amounts in this Agreement are denominated in U.S. dollars.

1. **Effective Date:** Your continued employment with the Company pursuant to the terms of this Agreement commenced effective as of July 6, 2017 (the "**Commencement Date**"). The term of this Agreement shall continue from the Commencement Date through the date of a termination of your employment pursuant to Section 14, below.
2. **Title:** You will serve as President and Chief Executive Officer reporting directly to the Company's Board of Directors (the "**Board**"). The Company shall nominate you for election as a member of the Board for each term of Board service during the term of this Agreement.
3. **Location:** You will be primarily based in the Company's Washington, D.C. office, traveling between such office and the Company's other offices and elsewhere as reasonably necessary for the performance of your duties under this Agreement.
4. **Base Salary:** You will receive a monthly salary of \$70,833 (which is equivalent to \$850,000 annually) payable in accordance with the Company's payroll practices for its senior executives, effective commencing July 1, 2017. Your annual base salary, as may be increased (but not decreased without your consent) from time to time shall be referred to as the "**Base Salary**".
5. **Management Incentive Plan ("**MIP**") Participation:** You will participate in the MIP (the Company's annual bonus program operated pursuant to the Company's shareholder approved Incentive Plan) at the Tier 1 level. You will be eligible for a target annual incentive award under the MIP equal to 150% of your Base Salary (the "**Target Bonus**").

Amount") (prorated for the 9 months of 2017 during which you served as Chief Executive Officer, with the first 3 months of the year during which you served as Executive Vice President prorated at your target percentage applicable then), subject to your continued employment with the Company and pursuant to the terms of the MIP and the Company's Incentive Plan, as amended from time to time. Performance goals under the MIP will be established annually by the Human Resources and Compensation Committee of the Board (the "**HRCC**") in consultation with you. Bonuses are only payable if you are employed by the Company on the date such bonus is paid, subject to Section 14(c) below.

6. **Incentive Compensation and Other Plans:** You will participate in other management compensation plans, including the Company's 2012 GlobalShare Program (the "**GlobalShare Program**"). In addition, you will participate in the Change in Control Severance Plan and the Management Severance Pay Plan, as such plans may be amended from time to time (the "**CIC Severance Plan**" and the "**Base Severance Plan**", respectively, and together the "**Severance Plans**"); provided that (i) severance payments and benefits provided under the Base Severance Plan applicable to a termination of employment without Cause shall be deemed to also apply in the event of your resignation of employment for Good Reason, (ii) in the event of a dispute arising under either of the Severance Plans, any judicial review of a Company determination shall be *de novo*, and (iii) any amendments made to the Severance Plans that would adversely affect your entitlement to severance payments or benefits thereunder will not be effective with respect to you without your written consent, unless necessary to meet the requirements of applicable law; and provided, further, that the terms "Cause" and "Good Reason" as used in the Severance Plans shall have the respective meanings set forth in this Agreement.
7. **Special Promotion Equity Award:** Effective upon the Company's regularly scheduled equity grant date occurring in September 2017, you will be granted performance-vesting restricted stock units ("**PRSUs**") with a grant date fair value of \$1,000,000, pursuant to the terms of the GlobalShare Program and an award agreement to be entered into thereunder. The PRSUs will be eligible to time vest ratably over three years, subject to the achievement of transformation performance objectives and metrics to be determined annually by the Board in consultation with you. In the event of a termination of your employment by the Company without Cause or by you for Good Reason (each as defined below), or due to your death or Disability (defined below), these PRSUs, to the extent unvested, will (i) vest in full for time vesting purposes, in the case of a termination of your employment by the Company without Cause or by you for Good Reason, or (ii) vest on a pro-rata basis for time vesting purposes based on the completed portion of the total service vesting period through the termination date, in the case of a termination due to your death or Disability, but subject in each case under the foregoing clauses (i) and (ii) to achievement of the performance objectives for each respective performance period under the grant. In the event of a Change in Control (as defined under the Incentive Plan) while your PRSUs remain outstanding, then for each incomplete (or future) performance period the performance vesting goals will be deemed achieved at not less than deemed "target" level performance.

8. Annual Long-Term Incentive Awards: You will receive consideration for annual long-term incentive grants as part of your performance and compensation review under the Company's long term incentive plan for senior executives of the Company. Annual long-term incentive awards are subject to the approval of the HRCC. Your first regular annual long-term incentive grant under this Agreement will be made to you in February 2018 and will have a grant date target value equal to 150% of your Base Salary. Based on the Company's current program design, annual grants are made 50% in the form of restricted stock units (time vesting only) and 50% in the form of performance stock units (or performance cash), but the actual composition of your long-term incentive grant will be determined by the HRCC at the time of grant. Performance conditions for the performance stock units under the annual long-term incentive program will be established annually by the HRCC in consultation with you.
9. Vacation: The Company's current vacation policy entitles you to four weeks of paid vacation during each calendar year. Vacation is earned ratably over the course of the calendar year and must be used during such calendar year. Unused vacation will not be banked or carried over to any succeeding year.
10. Benefits: You will be eligible to participate in the Company's benefit programs to the same extent as other senior executives. Our benefits program includes group health, dental, vision, life/AD&D, long-term disability, short-term disability salary continuation, paid holidays, medical flexible spending accounts, the Heidrick & Struggles, Inc. 401(k) Profit Sharing and Retirement Plan, and the Company's U.S. Employees 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.
11. Prior Employment Agreement: Effective as of the Commencement Date, this Agreement will supersede and replace your prior employment agreement with the Company dated as of April 9, 2015 (the "**Prior Agreement**").
12. Business Expenses: The Company will reimburse you for your business expenses in accordance with its policies.
13. 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.

14. 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, and the Company reserves the right to pay you severance in the form of salary continuation payments in lieu of any such required notice.
- 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, and any other amounts required by law. For the avoidance of doubt, you will not be entitled to receive severance benefits under the Severance Plans in the event that you terminate your employment voluntarily (other than for Good Reason, to the extent applicable), you are terminated by the Company for Cause, or your employment is terminated due to your death or Disability. “**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. In the event that you become entitled to receive severance payments under the Base Severance Plan (but not the CIC Severance Plan) (as provided at Section 6, above), you shall also be entitled to receive a pro-rata annual bonus in respect of the year during which your employment is terminated, calculated by multiplying the annual bonus that you otherwise would have earned for the full year based on actual performance for such year by a fraction, the numerator of which is the number of full months of the year for which you were employed prior to termination, and the denominator of which is twelve (12).
- d. Definition of Cause: For purposes of this Agreement, including as apply under the Severance Plans, the PRSUs and any other equity awards granted to you by the Company (as applicable), “**Cause**” shall mean any of the following: (i) your conviction of, or plea of guilty or no contest to (A) a misdemeanor involving material dishonesty in connection with your job duties, fraud, or moral turpitude, or (B) a felony; (ii) your willful malfeasance, willful misconduct or gross negligence in connection with your duties; (iii) your willful and continued failure to substantially perform your duties to the Company (other than any such failure resulting from incapacity due to

Disability), after a written demand for substantial performance is delivered to you by the Chairman of the Board which specifically identifies the manner in which the Board believes that you have not substantially performed your duties; (iv) your willful engaging in illegal conduct or gross misconduct which is materially and demonstrably injurious to the business or reputation of the Company; (v) your knowingly engaging in conduct which directly causes a material misstatement of one or more of the Company's financial statements for the current year or the three prior years if, and to the extent that, such misstatement results in the recoupment of compensation pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act; or (vi) your willful or intentional material breach of any of the restrictive covenants set forth in this Agreement. For purposes of this definition, no act or failure to act on your part shall be considered "willful" unless it is done, or omitted to be done, by you in bad faith or without reasonable belief that your action or omission was in the best interests of the Company. The Company shall give written notice to you of the termination for Cause, which shall state in detail the particular act or acts or the failure or failures to act that constitute the grounds on which the Cause termination is based. You shall have thirty (30) days upon receipt of the notice in which to cure such conduct, to the extent such cure is possible.

- e. Definition of Good Reason: For purposes of this Agreement, including as apply under the Severance Plans, the PRSUs and any other equity awards granted to you by the Company (as applicable), "**Good Reason**" shall mean any of the following: (i) a diminution in your title from Chief Executive Officer or in your reporting relationship to the Board; (ii) the assignment to you of any duties inconsistent in any material respect with the position of Chief Executive Officer or any material diminution in your authority, duties or responsibilities; (iii) the Company's requiring you to be primarily based at, or perform your principal functions at, any office or location other than a location within thirty-five (35) miles of the Company's Washington, D.C. office; (iv) a reduction in Base Salary; (v) a reduction in your target incentive opportunity under the MIP below 150% of your Base Salary; or (vi) a material breach by the Company of this Agreement. Prior to your right to terminate this Agreement for Good Reason, you shall give written notice to the Company of your intention to terminate your employment on account of a Good Reason. Such notice shall state in detail the particular act or acts or the failure or failures to act that constitute the grounds on which your Good Reason termination is based and such notice shall be given within six (6) months of the occurrence of the act or acts or the failure or failures to act which constitute the grounds for Good Reason. The Company shall have thirty (30) days upon receipt of the notice in which to cure such conduct, to the extent such cure is possible.

- f. **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 which will be necessary for the Company to access materials on which you worked or to otherwise continue in its business.

15. **Confidentiality:**

- a. **Generally:** 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.
- b. **Protected Activities:** Nothing in this Agreement shall prohibit or impede you from communicating, cooperating or filing a complaint with any U.S. federal, state or local governmental or law enforcement branch, agency or entity (collectively, a “**Governmental Entity**”) with respect to possible violations of any U.S. federal, state or local law or regulation, or otherwise making

disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation; provided, that in each case such communications and disclosures are consistent with applicable law. You understand and acknowledge that an individual 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. You understand and acknowledge further that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order. Except as otherwise provided in this paragraph or under applicable law, under no circumstance are you authorized to disclose any information covered by the Company's attorney-client privilege or attorney work product, or the Company's trade secrets, without the prior written consent of the Company. You do not need the prior authorization of (or to give notice to) any member of the Company or its affiliates regarding any communication, disclosure, or activity described in this paragraph.

16. Non-Solicitation/Non-Competition:

- a. Without the prior written consent of the Company, during the term of your employment with the Company and for a period of twelve (12) months after the termination of your employment with the Company for any reason, you shall not:
 - i. become engaged in or otherwise become financially interested in, directly or indirectly (whether as an owner, officer, employee, consultant, director, stockholder, or otherwise), any company, enterprise or entity that, in any market served by the Company, provides, or has made substantial preparation to provide, services or products that compete with any portion of the "Business" (as defined below in Section 16(c)); provided, that it shall not be a violation of this restriction to engage in the passive investment in securities of publicly traded companies that are not in excess of two percent (2%) of any such company's outstanding securities. ii. directly or indirectly solicit, or assist any other person in soliciting for a competitive Business, or to otherwise interfere with the Company's relationship with, 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.
- b. You acknowledge that the protections of the Company set forth in this Section 16 are fair and reasonable. You agree that remedies at law for a breach or threatened breach of the provisions of this Section 16 would be inadequate and, therefore, the Company shall be entitled, in addition to any other available remedies, without posting a bond, to equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, or any other equitable remedy that may be then available.
- c. As used in this Section 16:
 - i. the term "**Business**" shall mean the business of the Company and its direct and indirect parents and subsidiaries and shall include (I) executive search, which includes facilitating the recruitment, management and deployment of senior executives for executive management and board director positions; (II) "leadership consulting" services, which includes succession planning, executive development and top team effectiveness; and (III) during the term of this Agreement and as of the date of your termination of employment, any other service or product provided by the Company or for which the Company had made substantial preparation to enter into or offer that is a Material Business or is reasonably expected by the Board to constitute a Material Business within 2 years following your termination of employment; and
 - ii. the term "**Material Business**" shall mean a service or product or other line of business which generates 10% or more of the Company's gross annual revenues.

Nothing in this Section 16 shall prohibit you from providing services or products (other than services or products similar to those provided by the Company in the conduct of the Business) to an entity that is not engaged in a business, or providing products or services, which compete with a Business (a "**Competitive Activity**") but

which has one or more affiliates, divisions or business units that is engaged in a Competitive Activity; provided that (i) the entity does not derive more than 10% of its gross annual revenues from such Competitive Activity and (ii) (x) your duties, responsibilities and authority with respect to such entity do not result in your being directly involved in the conduct or facilitation of such Competitive Activity and (y) if your duties, responsibilities and authority with respect to such entity would otherwise result in your being indirectly (through supervision or otherwise) involved in the conduct or facilitation of such Competitive Activity (“**Indirect Activity**”), appropriate safeguards, reasonably acceptable to the Company, are implemented in order to prevent your engagement in such Indirect Activity.

Each of the foregoing restrictions contained in Section 16 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 16 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 16 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.

17. Acknowledgment Respecting Breach. The parties agree and acknowledge that the breach of Section 15 or 16 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).
18. Other Legal Matters:
 - a. Indemnification: The Company shall: (a) during the employment term and thereafter for so long as you may be subject to liability for your acts and omissions to act as an officer and member of the Board, indemnify you to the maximum extent allowed under Delaware law and the Company’s by-laws, and (b) during the employment term and services as a director, and for a period of two (2)-years thereafter (or, if longer than two (2) years, for the post-termination period generally provided to executives or, if longer, to directors, following the date of your termination of employment and services

as a director), maintain directors' and officers' liability insurance for your benefit in a form at least as comprehensive as, and in an amount that is at least equal to, that maintained by the Company at such time for any officer or director of the Company.

- b. Legal Fees. The Company agrees to reimburse you for your reasonable attorney's fees incurred in connection with the negotiation and execution of this Agreement in an amount up to \$30,000.
- c. No Other Agreements/Obligations: You have advised the Company and you hereby confirm 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.
- d. Negotiation of Agreement: You acknowledge that you negotiated the terms of this Agreement with the Company and that you enter into this Agreement voluntarily.
- e. Applicable Legal Standards: You will be an employee of the Company's United States operations and agree that your employment with the Company shall be governed by the laws of the United States of America and the State of Illinois.
- f. 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.
- g. 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.
- h. Full and Complete Agreement: This letter Agreement (and the plans and other agreements referenced herein) contains our entire understanding with respect to your employment and can be amended only in writing and signed by you and either the General Counsel or other duly authorized officer. This Agreement supersedes any and all prior agreements (including, without limitation, the Prior Agreement), whether written or oral, between you and the Company that are not specifically incorporated by reference herein. In the event of any inconsistency between this Agreement and any other plan, program, practice or agreement in which you are a participant or a party, as in effect from time to time (collectively "**Other Programs**"), this Agreement will control, unless any applicable such Other Program either is more favorable to you or you agree in writing that such Other Program controls. You and the Company specifically acknowledge that no promises or commitments have been made that are not set forth in this letter. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

- i. 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.
- j. Survival of Provisions: The provisions of Sections 14 (b) and (c) and 15 through 18(a) of this Agreement (as well as your entitlement to separation payments and benefits where applicable) shall survive the termination of your employment with the Company and the expiration or termination of this Agreement.
- k. Code Section 409A. It is intended that any amounts payable under this Agreement shall be exempt from or shall comply with Section 409A of the Internal Revenue of 1986, as amended (including the Treasury regulations and other published guidance relating thereto) ("**Section 409A**") and the Company's and your exercise of authority or discretion hereunder shall comply therewith so as not to subject you to the payment of any interest or additional tax imposed under Section 409A. To the extent any amount payable to you from the Company, per this Agreement or otherwise, would trigger the additional tax imposed by Section 409A, the payment arrangements shall be modified, in a manner intended to the maximum extent possible to preserve the business arrangements contemplated hereunder, to avoid such additional tax. This provision includes, but is not limited to, a six-month delay in payment of deferred compensation to a "specified employee" (as defined in the Treasury Regulations under Section 409A) upon a separation from service, to the extent applicable. To the extent that reimbursements or other in-kind benefits under this Agreement constitute deferred compensation under Section 409A, (i) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by you, (ii) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year. For purposes of Section 409A, your right to receive installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

Krishnan, the entire Board is very excited to have you as our President and CEO and we are looking forward to continuing to work with you in your new role.

Sincerely,

/s/ Tracy Wolstencroft

Tracy Wolstencroft
Chairman of the Board of Directors

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

/s/Krishnan Rajagopalan
Krishnan Rajagopalan

September 21, 2017
Date

Copy: Stephen W. Beard, General Counsel & Chief Administrative Officer

HEIDRICK & STRUGGLES

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September 21, 2017

Tracy R. Wolstencroft
Address on File with the Company

Dear Tracy:

On behalf of Heidrick & Struggles International, Inc. ("**HSII**" or the "**Company**"), I am writing to confirm the terms of your agreement with the Company regarding certain modifications to your outstanding equity awards in connection with your July 6, 2017 retirement as the Company's President and Chief Executive Officer ("**CEO**") and your continued service as Chairman of the Company's Board of Directors (the "**Board**"). Specifically, you and the Company hereby confirm that your outstanding time-vesting restricted stock units ("**RSUs**") and performance stock units ("**PSUs**") will be modified to reflect the following terms:

1. **2014 RSUs:** The unvested portion of the RSUs granted to you on February 3, 2014 will remain outstanding pursuant to their existing terms and will remain eligible to vest under the terms set forth under your award agreement covering such grant, subject to your continued service on the Board through the relevant vesting dates. Accordingly, you will remain eligible to vest in 41,667 RSUs on each of February 3, 2018 and February 3, 2019, subject to your continued service on the Board through such vesting dates.
2. **2015 and 2016 RSUs:** A pro-rata portion (reflecting the portion of the vesting period for which you served as CEO) of your remaining unvested RSUs that were granted to you on March 9, 2015 and March 9, 2016 will remain outstanding and eligible to vest under the terms set forth under your award agreements covering such grants, subject to your continued service on the Board through the relevant vesting dates. Specifically, you will remain eligible to vest in the following number of RSUs on the vesting dates set forth below:

<u>RSU Grant Date</u>	<u>Future Vesting Date</u>	<u>Number of RSUs Remaining Eligible to Vest</u>
March 9, 2015	March 9, 2018	3,711
March 9, 2016	March 9, 2018	4,158
March 9, 2016	March 9, 2019	2,079

All other unvested RSUs covered by your March 9, 2015 and March 9, 2016 grants will be forfeited by you.

3. 2015 and 2016 PSUs: A pro-rata portion (reflecting the portion of the vesting period for which you served as CEO) of the target number of PSUs that were granted to you on March 9, 2015 and March 9, 2016 will remain outstanding and eligible to vest under the terms set forth under your award agreements covering such grants, subject to your continued service on the Board through the relevant vesting dates (but the performance vesting terms and the performance multipliers set forth under the award agreements will cease to apply). Specifically, you will remain eligible to vest in the following number of PSUs on the vesting dates set forth below:

<u>PSU Grant Date</u>	<u>Future Vesting Date</u>	<u>Number of PSUs Remaining Eligible to Vest</u>
March 9, 2015 (2015-2017 Performance Cycle)	December 31, 2017	29,914
March 9, 2016 (2016-2018 Performance Cycle)	December 31, 2018	20,093

All other PSUs covered by your March 9, 2015 and March 9, 2016 grants will be forfeited by you.

4. 2017 RSUs and PSUs: You hereby agree that you will forfeit all of the RSUs and PSUs that were granted to you on March 9, 2017.

Tracy, on behalf of the entire Board of Directors, let me express our thanks for your volunteering to these modifications. We sincerely appreciate your spirit of cooperation throughout this transition and your steadfast commitment to the best interests of the firm.

Except as set forth above, your outstanding RSUs and PSUs will remain outstanding subject to the existing terms of the award agreements and stock plan governing such awards.

Sincerely,

/s/ Richard I. Beattie
Richard I. Beattie
Lead Independent Director

I hereby agree to the modifications to my RSUs and PSUs as outlined in this agreement.

/s/Tracy R. Wolstencroft
Tracy R. Wolstencroft

September 21, 2017
Date

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