

SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 20549

Form S-8  
 REGISTRATION STATEMENT  
 under  
 THE SECURITIES ACT OF 1933

Heidrick & Struggles International, Inc.  
 (Exact Name of Registrant as Specified in its Charter)

Delaware	7361-05	36-2681268
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

233 South Wacker Drive - Suite 4200  
 Chicago, Illinois 60606-6303  
 (312) 496-1200  
 (Address, Including Zip Code, and Telephone Number, including Area Code, of  
 Registrant's Principal Executive Office)

Heidrick & Struggles International, Inc.  
 1998 Heidrick & Struggles GlobalShare Program I  
 1998 Heidrick & Struggles GlobalShare Program II  
 (Full titles of the Plans)

c/o Richard D. Nelson  
 Heidrick & Struggles International, Inc.  
 233 South Wacker Drive - Suite 4200  
 Chicago, Illinois 60606-6303  
 (312) 496-1200  
 (Name, Address and Telephone Number, Including Area Code, of Agent For Service)

Copy to:  
 Vincent Pagano Jr.  
 Simpson Thacher & Bartlett  
 425 Lexington Avenue  
 New York, New York 10017-3909  
 (212) 455-2000

Approximate date of commencement of proposed sale to the public:  
 From time to time after the effective date of this Registration Statement.

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share(a)	Proposed Maximum Aggregate Offering Price (a)	Amount of Registration Fee (a)
Common Stock, \$0.01 par value per share and options to purchase Common Stock	3,721,667(b)	\$8.50	\$31,634,169.50	\$8,794.30

(a) Pursuant to Rule 457(h)(1) under the Securities Act of 1933, the proposed maximum offering price per share, the proposed maximum aggregate offering price and the amount of registration fee have been computed on the basis of the pro forma book value of such shares assuming the effectiveness of the merger of Heidrick & Struggles, Inc. with and into Heidrick & Struggles International, Inc. as of December 31, 1998 and a 15.7154 for 1 stock split of the Common Stock.

(b) The shares are issuable pursuant to the 1998 Heidrick & Struggles GlobalShare Program I and the 1998 Heidrick & Struggles GlobalShare Program II.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Document by Reference

The following documents filed by Heidrick & Struggles International, Inc. (the "Company" or the "Registrant") with the Securities and Exchange Commission (the "Commission") are hereby incorporated by reference in this Registration Statement:

- (a) The Company's Joint Consent Statement/Prospectus dated February 22, 1999 contained in the Registrant's Registration Statement on Form S-4 (Reg. No. 333-59931) (the "S-4 Registration Statement").
- (b) Amendment No. 2 to the Company's Registration Statement on Form S-1 filed as of February 23, 1999 (Reg. No. 333-59931) (the "S-1 Registration Statement").

The financial statements contained in the S-1 Registration Statement are later than and supersede those in the S-4 Registration Statement. All documents filed by the Company pursuant to Section 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the date of this Registration Statement and prior to the filing of a post-effective amendment to this Registration Statement indicating that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement and to be part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities

Effective upon the completion of the initial public offering (the "IPO") of the Company's common stock, par value \$0.01 per share (the "Common Stock"), the Company will amend and restate its Certificate of Incorporation to provide for the Company's authorized capital stock to consist of 100,000,000 shares of common stock, par value \$0.01 per share, of which 10,775,295 shares are expected to be issued and outstanding prior to completion of the IPO. Except as otherwise expressly stated, all references in this Registration Statement to the Company or its capital stock (including the Common Stock) are to such after completion of the IPO and such amendment. Immediately following completion of the IPO, there are expected to be 15,141,962 shares of Common Stock (15,771,962 shares of Common Stock if the Underwriters' over-allotment option is exercised in full) and no shares of preferred stock outstanding. This amount includes 666,667 shares that may be purchased by certain employees of the Company pursuant to the initial offering expected to be made pursuant to this Registration Statement (the "Offering" or the "Employee Share Purchase"), but excludes (i) 1,000,000 shares issuable pursuant to options that may be granted to such employees in connection with such purchase, (ii) approximately 855,000 shares issuable pursuant to options to be issued to employees at completion of the IPO and (iii) 1,200,000 shares of Common Stock available for future issuance, all pursuant to the 1998 Heidrick & Struggles GlobalShare Program I for employees and directors of the Company (the "GlobalShare Program I") and the 1998 Heidrick & Struggles GlobalShare Program II for certain independent contractors of the Company (the "GlobalShare Program II" and, together with the GlobalShare Program I, the "GlobalShare Plan"). The following description of the Company's capital stock and related matters is qualified in its entirety by reference to the Certificate of Incorporation and the Company's Bylaws, copies of which have been filed as an exhibit to the S-1 Registration Statement incorporated herein by reference.

Common Stock  
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The Certificate of Incorporation authorizes 100,000,000 shares of Common Stock, par value \$0.01 per share. Stockholders are entitled to one vote per share on all matters to be voted upon by the stockholders. The holders of Common Stock do not have cumulative voting rights in the election of directors. Holders of Common Stock are entitled to receive dividends if, as and when dividends are declared from time to time by the Company's Board of Directors out of funds legally available therefor, after payment of dividends required to be paid on outstanding preferred stock (as described below), if any. In the event of liquidation, dissolution or winding up of the Company, the holders of Common Stock are entitled to share ratably in all assets remaining after payment of liabilities and accrued but unpaid dividends and liquidation preferences on any outstanding Preferred Stock of the

Company. The shares of Common Stock have no preemptive or conversion rights and are not subject to further calls or assessment by the Company. There are no redemption or sinking fund provisions applicable to the Common Stock. The Common Stock being sold by the Company in the Employee Share Purchase, when paid for by the purchasers thereof, will be, duly authorized, validly issued, fully paid and non-assessable.

The Delaware General Corporation Law  
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The Company is a Delaware corporation subject to Section 203 ("Section 203") of the General Corporation Law of the State of Delaware (the "DGCL"). Section 203 provides in general that a stockholder acquiring more than 15% of the outstanding voting stock of a corporation subject to Section 203 (an "Interested Stockholder") but less than 85% of such stock may not engage in certain Business Combinations (as defined in Section 203) with the corporation for a period of three years subsequent to the date on which the stockholder became an Interested Stockholder unless (i) prior to such date the corporation's board of directors approved either the Business Combination or the transaction in which the stockholder became an Interested Stockholder or (ii) the Business Combination is approved by the corporation's board of directors and authorized by a vote of at least 66 2/3% of the outstanding voting stock of the corporation not owned by the Interested Stockholder. A "Business Combination" includes mergers, asset sales and other transactions resulting in financial benefit to a stockholder. Section 203 could prohibit or delay mergers, or other takeover or change of control attempts with respect to the Company and, accordingly, may discourage attempts that might result in a premium over the market price for the shares held by stockholders.

Certificate of Incorporation; Bylaws  
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The Certificate of Incorporation and the Bylaws contain certain provisions that could make more difficult the acquisition of the Company by means of a tender offer, a proxy contest or otherwise.

**Classified Board of Directors.** The Certificate of Incorporation provides that the Company's Board of Directors is divided into three classes of directors, with the classes to be as nearly equal in number as possible. As a result, approximately one-third of the Board of Directors will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of the Company's Board of Directors. The Certificate of Incorporation provides that the number of directors may be fixed from time to time exclusively pursuant to a resolution adopted by directors constituting a majority of the total number of directors that the Company would have if there were no vacancies on the Board of Directors, but must consist of not more than fifteen nor less than eight directors. In addition, the Certificate of Incorporation provides that unless the Board of Directors otherwise determines, any vacancies will be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum. The Company believes that a classified Board of Directors will help to assure the continuity and stability of the Board of Directors and the Company's business strategies and policies, since a majority of the Directors at any given time will have had prior experience as Directors of the Company. The Company believes that this in turn will permit the Board of Directors to represent more effectively the interests of stockholders.

With a classified Board of Directors, at least two annual meetings of stockholders, instead of one, will generally be required to effect a change in a majority of the members of the Board of Directors. As a result, the classification of the Board of Directors of the Company may discourage proxy contests for the election of Directors, unsolicited tender offers or purchases of a substantial block of the Common Stock because it could prevent a potential acquiror from obtaining control of the Board of Directors in a relatively short period of time.

**Removal of Directors.** Under the DGCL, unless otherwise provided in the Certificate of Incorporation, directors serving on a classified board may be removed by the stockholders only for cause. In addition, the Certificate of Incorporation and the Bylaws provide that directors may be removed only for cause and only upon the affirmative vote of holders of at least 75% of the voting power of all the then outstanding shares of stock entitled to vote generally in the election of directors ("Voting Stock"), voting together as a single class. This provision delays stockholders who do not agree with the policies of the Board of Directors from replacing Directors, unless they can demonstrate that the Directors should be removed for cause and obtain the requisite vote. Such a delay may help ensure that the Company's Board of Directors, if confronted with a proxy contest or an unsolicited proposal for an extraordinary corporate transaction, will have sufficient time to review the proposal and appropriate alternatives to the proposal and to act in what it believes is the best interest of the Company's stockholders.

**Filling Vacancies on the Board of Directors.** The Company's Certificate of Incorporation provides that, subject to the rights of holders of any shares of Preferred Stock, any vacancy in the Board of Directors that results from an increase in the number of Directors may be filled only by a majority of the Directors then in office, provided that a quorum is present, and any other

vacancy may be filled by a majority of the Directors then in office, even if less than a quorum, or by the sole remaining Director. Accordingly, these provisions could temporarily prevent any stockholder from obtaining majority representation on the Board of Directors by enlarging the Board of Directors and filling the new Directorships with its own nominees.

**Stockholders Action.** The Certificate of Incorporation and the Bylaws provide that, subject to the rights of any holders of preferred stock, par value \$0.01 per share, of the Company (the "Preferred Stock") to elect additional directors under specified circumstances, stockholder action can be taken only at an annual or special meeting of stockholders and may not be taken by written consent in lieu of a meeting. The Bylaws provide that to elect additional directors under specified circumstances, special meetings of stockholders can be called only by the Board of Directors, pursuant to a resolution adopted by a majority of the total number of directors. Stockholders are not permitted to call a special meeting or to require that the Board of Directors call a special meeting of stockholders. Moreover, the business permitted to be conducted at any special meeting of stockholders is limited to the business brought before the meeting pursuant to the notice of meeting given by the Company. The provisions of the Company's Certificate of Incorporation prohibiting action by written consent without a meeting, and the provisions of the Company's By-Laws governing the calling of and matters considered at special meetings may have the effect of delaying consideration of a stockholder proposal until the next annual meeting. These provisions would also prevent the holders of a majority of the voting power of the outstanding shares of stock entitled to vote generally in the election of Directors from using the written consent procedure to take stockholder action and from taking action by written consent without giving all the stockholders entitled to vote on a proposed action the opportunity to participate in determining such proposed action at a meeting.

**Advance Notice Procedures.** The Bylaws establish an advance notice procedure for stockholders to make nominations of candidates for election as directors, or bring other business before an annual meeting of stockholders of the Company (the "Stockholders Notice Procedure"). The Stockholders Notice Procedure provides that only persons who are nominated by, or at the direction of, the Board of Directors, or by a stockholder who has given timely written notice to the Secretary of the Company prior to the meeting at which directors are to be elected, will be eligible for election as directors of the Company. The Stockholders Notice Procedure also provides that at an annual meeting only such business may be conducted as has been brought before the meeting by, or at the direction of, the Chairman of the Board of Directors or by a stockholder who has given timely written notice to the Secretary of the Company of such stockholder's intention to bring such business before such meeting. Under the Stockholders Notice Procedure, for notice of stockholder nominations to be made at an annual meeting to be timely, such notice must be received by the Company not less than 60 days nor more than 90 days prior to the first anniversary of the previous year's annual meeting (or, if the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, not earlier than the 90th day prior to such meeting and not later than the later of (x) the 60th day prior to such meeting and (y) the 10th day after public announcement of the date of such meeting is first made). Notwithstanding the foregoing, in the event that the number of directors to be elected is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Company at least 70 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice will be timely, but only with respect to nominees for any new positions created by such increase, if it is received by the Company not later than the 10th day after such public announcement is first made by the Company. Under the Stockholders Notice Procedure, for notice of a stockholder nomination to be made at a special meeting at which directors are to be elected to be timely, such notice must be received by the Company not earlier than the 90th day before such meeting and not later than the later of (x) the 60th day prior to such meeting and (y) the 10th day after the public announcement of the date of such meeting is first made. In addition, under the Stockholders Notice Procedure, a stockholder's notice to the Company proposing to nominate a person for election as a director or relating to the conduct of business other than the nomination of directors must contain certain specified information. If the Chairman of the Board of Directors or other officer presiding at a meeting determines that a person was not nominated, or other business was not brought before the meeting, in accordance with the Stockholders Notice Procedure, such person will not be eligible for election as a director, or such business will not be conducted at such meeting, as the case may be. By requiring advance notice of nominations by stockholders, the Notice of Meeting Provision will afford the Board of Directors a meaningful opportunity to consider the qualifications of the proposed nominees and, to the extent deemed necessary or desirable by the Board of Directors, to inform the stockholders about such qualifications. By requiring advance notice of proposed business, the Notice of Meeting Proposal Provision will provide the Board of Directors with a meaningful opportunity to inform stockholders, prior to such meeting, of any business proposed to be conducted at such meeting, together with any recommendation or statement of the Board of Directors' position as to action to be taken with respect to such business, so as to enable stockholders better to determine whether they desire to attend such a meeting or to grant a proxy to the Board of Directors as to the disposition of any such business. Although the Company's By-Laws do not give the Board of Directors any power to approve or disapprove stockholder nominations for the election of Directors or proposals for action, they may have the effect of precluding a contest



for the election of Directors or the consideration of stockholder proposals if the proper procedures are not followed, and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of Directors or to approve its proposal without regard to whether consideration of such nominees or proposals might be harmful or beneficial to the Company and its stockholders.

**Liability of Directors; Indemnification.** The Certificate of Incorporation provides that a director will not be personally liable for monetary damages to the Company or its stockholders for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for paying a dividend or approving a stock repurchase or redemption in violation of Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. The Certificate of Incorporation also provides that each current or former director, officer, employee or agent of the Company, or each such person who is or was serving or who had agreed to serve at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including the heirs, executors, administrators or estate of such person), will be indemnified by the Company to the full extent permitted by the DGCL, as the same exists or may in the future be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment). The Certificate of Incorporation also specifically authorizes the Company to enter into agreements with any person providing for indemnification greater or different than that provided by the Certificate of Incorporation.

**Restrictions on Amendment.** The Company's Certificate of Incorporation provides that the approval of holders of at least 75% of the voting power entitled to vote generally in the election of Directors, voting together as a single class, is required to adopt any Certificate of Incorporation provision inconsistent with or to alter, amend or repeal the provisions of the Company's Certificate of Incorporation classifying the Board of Directors; governing the removal of directors; establishing the minimum and maximum number of members of the Board of Directors; eliminating the ability of stockholders to act by written consent; authorizing the Board of Directors to consider the interests of clients and other customers, creditors, employees; establishing the Board of Directors' authority to issue, without a vote or any other action of the stockholders, any or all authorized shares of stock of the Corporation, securities convertible into or exchangeable for any authorized shares of stock of the Corporation and warrants, options or rights to purchase, subscribe for or otherwise acquire shares of stock of the Corporation for any such consideration and on such terms as the Board of Directors in its discretion lawfully may determine; and authorizing that the By-Laws of the Corporation may establish procedures regulating the submission by stockholders of nominations and proposals for consideration at meetings of stockholders of the Corporation. In addition, the Company's Certificate of Incorporation provides that the approval of the Board of Directors or the affirmative vote of the holders of 75% of the voting power entitled to vote generally in the election of Directors, voting together as a single class, is required to alter, amend or repeal the above provisions of the Company's Certificate of Incorporation or to adopt any provision of the Certificate of Incorporation inconsistent with such provisions or to alter, amend or repeal certain provisions of the Company's By-Laws or to adopt any provision of the By-Laws inconsistent with such provisions.

**Preferred Stock.** The Certificate of Incorporation authorizes 10,000,000 shares of preferred stock, par value \$.01 per share. Subject to the Company's Certificate of Incorporation and applicable law, the authority of the Company's Board of Directors with respect to each series of Preferred Stock, includes but is not limited to the authority to generally determine the following: the designation of such series, the number of shares initially constituting such series and whether to increase or decrease such number of shares, dividend rights and rates, terms of redemption and redemption prices, liquidation preferences, voting rights, conversion rights, whether a sinking fund will be provided for the redemption of the shares of such series (and, if so, the terms and conditions thereof) and whether a purchase fund shall be provided for the shares of such series (and, if so, the terms and conditions thereof).

The Company believes that the availability of the Preferred Stock will provide increased flexibility in structuring possible future financings and acquisitions and in meeting other corporate needs that might arise. Having such authorized shares available for issuance will allow the Company to issue shares of Preferred Stock without the expense and delay of a special stockholders' meeting. The authorized shares of Preferred Stock, as well as shares of Common Stock, will be available for issuance without further action by the stockholders, unless such action is required by applicable law or the rules of any stock exchange on which the Company's securities may be listed. Although the Board of Directors has no current intention to do so, it would have the power (subject to applicable law) to issue a series of Preferred Stock that could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt. For instance, subject to applicable law, such series of Preferred Stock might impede a business combination by including class voting rights that would enable the holder to block such a

transaction. The Board of Directors will make any determination to issue such shares based on its judgment as to the best interests of the Company and its stockholders. The Board of Directors, in so acting, could issue Preferred Stock having terms which could discourage an acquisition attempt or other transaction that some, or a majority of the stockholders might believe to be in their best interest or in which stockholders might receive a premium for their stock over the then market price of such stock.

Registrar and Transfer Agent

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The registrar and transfer agent for the Common Stock is ChaseMellon Shareholder Services LLC.

Listing

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The Company intends to apply to list the Common Stock on the New York Stock Exchange under the proposed symbol "HSX."

Item 5. Interests of Named Experts and Counsel

None.

Item 6. Indemnification of Directors and Officers

Section 145 of the General Corporation Law of the State of Delaware (the "Delaware Law") authorizes the Registrant to indemnify the officers and directors of the Company, under certain circumstances and subject to certain conditions and limitations as stated therein, against all expenses and liabilities incurred by or imposed upon them as a result of actions, suits and proceedings, civil or criminal, brought against them as such officers and directors if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Registrant and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful.

Reference is hereby made to the Registrant's Certificate of Incorporation, a copy of which is filed as Exhibit 3.01 hereto, which provides for indemnification of officers and directors of the Registrant to the full extent authorized by Section 145 of the Delaware Law. The Certificate of Incorporation authorizes the Registrant to purchase and maintain insurance on behalf of any officer, director, employee, trustee or agent of the Registrant or its subsidiaries against any liability asserted against or incurred by them in such capacity or arising out of their status as such, whether or not the Registrant would have the power to indemnify such officer, director, employee, trustee or agent against such liability under the provisions of such Article or Delaware law.

The Registrant maintains a directors' and officers' insurance policy which insures the officers and directors of the Registrant from any claim arising out of an alleged wrongful act by such persons in their respective capacities as officers and directors of the Registrant.

Section 102(b)(7) of the Delaware Law permits corporations to eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for breach of a fiduciary duty of care as a director. The Registrant's Certificate of Incorporation limits a director's liability in accordance with such Section.

Item 7. Exemption from Registration Claimed

Not applicable.

Item 8. Exhibits

The following exhibits are filed as part of this Registration Statement:

- 2.01 Agreement and Plan of Merger of Heidrick & Struggles, Inc. and Heidrick & Struggles International, Inc. (Incorporated by reference to Exhibit 2.01 of this Registrant's Registration Statement on Form S-4 (File No. 333-61023))
- 3.01 Form of Amended and Restated Certificate of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.02 of this Registrant's Registration Statement on Form S-4 (File No. 333-61023))
- 3.03 Form of Amended and Restated By-laws of the Registrant (Incorporated by reference to Exhibit 3.03 of this Registrant's Registration Statement on Form S-4 (File No. 333-61023))

- \*5 Opinion of Simpson Thacher & Bartlett as to the legality of the Common Stock being registered
- \*23.01 Consent of Simpson Thacher & Bartlett (contained in Exhibit 5)
- \*23.02 Consent of Arthur Andersen LLP
- \*23.03 Consent of Barbier Frinault & Associates (Arthur Andersen)
- \*24.01 Power of Attorney (contained in signature page)
- \*99.01 1998 Heidrick & Struggles Global Share Program I
- \*99.02 1998 Heidrick & Struggles Global Share Program II

\* Filed herewith

#### Item 9. Undertakings

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act") may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes:

(1) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purposes of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the Offering.

(4) That, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.



SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Chicago, State of Illinois, on the 5th day of March, 1999.

HEIDRICK & STRUGGLES INTERNATIONAL, INC.

By /s/ Donald M. Kilinski

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Title Chief Financial Officer and Treasurer  
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SIGNATURES AND POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Richard D. Nelson and Donald M. Kilinski, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place, and stead, in any and all capacities, to sign any and all amendments to the Registration Statement, including post-effective amendments, and registration statements filed pursuant to Rule 462 under the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange commission, and does hereby grant unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities on the 5th day of March, 1999.

Signature  
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Title  
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/s/ Patrick S. Pittard President, Chief Executive Officer and Director

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Patrick S. Pittard  
(principal executive officer)

/s/ Donald M. Kilinski Chief Financial Officer and Treasurer

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Donald M. Kilinski  
(principal financial and accounting officer)

/s/ Gerard R. Roche Director

-----  
Gerard R. Roche

/s/ David C. Anderson Director

-----  
David C. Anderson

/s/ Thomas J. Friel Director

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Thomas J. Friel

/s/ David B. Kixmiller Director

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David B. Kixmiller

/s/ Bengt Lejsved Director

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Bengt Lejsved

/s/ Dr. Jurgen B. Mulder Director

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Dr. Jurgen B. Mulder

/s/ Dr. John C. Viney Director

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Dr. John C. Viney

INDEX TO EXHIBITS

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- \*99.02 1998 Heidrick & Struggles Global Share Program II

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\* Filed herewith

March 5, 1999

Heidrick & Struggles International, Inc.  
233 South Wacker Drive - Suite 4200  
Chicago, Illinois 60606-6303

Ladies and Gentlemen:

We have acted as counsel to Heidrick & Struggles International, Inc., a Delaware corporation (the "Company"), in connection with the Registration Statement on Form S-8 (the "Registration Statement") filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended, relating to 3,721,667 shares (subject to adjustment for certain anti-dilution provisions) of the Company's Common Stock, par value \$0.01 per share (the "Shares"), which may be sold to employees, directors and independent contractors or issued pursuant to the exercise of options ("Purchase Options") granted in accordance with the 1998 Heidrick & Struggles GlobalShare Program I ("GlobalShare Program I") and the 1998 Heidrick & Struggles GlobalShare Program II ("GlobalShare Program II" and, together with GlobalShare Program I, the "GlobalShare Plan").

We have examined a copy of GlobalShare Program I, GlobalShare Program II, the Registration Statement (including the documents incorporated therein by reference and the exhibits thereto) and the related prospectus (the "Prospectus"). We also have examined

the originals, or duplicates or certified or conformed copies, of such records, agreements, instruments and other documents and have made such other and further investigations as we have deemed relevant and necessary in connection with the opinions expressed herein. As to questions of fact material to this opinion, we have relied upon certificates of public officials and of officers and representatives of the Company.

In such examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as duplicates or certified or conformed copies, and the authenticity of the originals of such latter documents.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that:

1. When the Board of Directors and the stockholders of the Company have taken all necessary corporate action to authorize and approve the GlobalShare Plan and the issuance the Purchase Options pursuant thereto and the issuance of the Shares upon the exercise of the Purchase Options, when the Amended and Restated Certificate of Incorporation authorizing, among other matters, the issuance of up to 100,000,000 Shares of Common Stock has been duly filed and become effective, and when the Shares are issued pursuant to the Registration Statement, the Prospectus and GlobalShare Plan and the Purchase Options, the Shares of Common Stock to be sold pursuant to the GlobalShare Plan and the Purchase Options, when paid for by the purchasers thereof as provided in the GlobalShare Plan and the Purchase Options, will be validly issued, fully paid and non-assessable.
2. When the Board of Directors and the stockholders of the Company have taken all necessary corporate action to authorize and approve the GlobalShare Plan and the issuance the Purchase Options pursuant thereto and the issuance of the Shares upon the exercise of the Purchase Options, when the Amended and Restated Certificate of Incorporation authorizing, among other matters, the issuance of up to 100,000,000 Shares of Common Stock has been duly filed and become effective, and when the Purchase Options are created in accordance with applicable law and are issued pursuant to the Registration Statement, the Prospectus and GlobalShare Plan, the Purchase

Options issuable pursuant to the GlobalShare Plan, when paid for in accordance with the terms established by the Board of Directors of the Company, will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms.

Our opinion set forth in paragraph 2 is subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

We are members of the Bar of the State of New York and we do not express any opinion herein concerning any law other than the law of the State of New York and the Delaware General Corporation Law.

We hereby consent to the filing of this opinion letter as Exhibit 5 to the Registration Statement.

Very truly yours,

SIMPSON THACHER & BARTLETT

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report dated July 19, 1998 and to all references to our Firm included in this registration statement. Our report dated July 19, 1998 included in Heidrick & Struggles International, Inc.'s Form S-4 for the year ended December 31, 1997 is no longer appropriate since restated financial statements have been presented giving effect to a correction of an error. Our report dated February 19, 1999 and the related financial statements included in Heidrick & Struggles International, Inc.'s Amendment 2 to Form S-1 filed on February 22, 1999 reflect this correction.

ARTHUR ANDERSEN LLP

Chicago, Illinois  
March 5, 1999

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report dated July 19, 1998 and to all references to our Firm included in this registration statement. Our report dated July 19, 1998 included in Heidrick & Struggles International, Inc.'s Form S-4 for the year ended December 31, 1997 is no longer appropriate since restated financial statements have been presented giving effect to a correction of an error. Our report dated February 19, 1999 and the related financial statements included in Heidrick & Struggles International, Inc.'s Amendment 2 to Form S-1 filed on February 22, 1999 reflect this correction.

Chicago, Illinois  
March 5, 1999

BARBIER FRINAULT & ASSOCIES  
ARTHUR ANDERSEN

Chicago, Illinois  
March 5, 1999



1998 HEIDRICK & STRUGGLES  
 GLOBALSHARE PROGRAM I

1. Purpose of the Program

The purpose of the Program is to aid the Company and its Subsidiaries and Affiliates in securing and retaining certain individuals who are members of the Board or employees of the Company, its Subsidiaries and Affiliates and to motivate such individuals to exert their best efforts on behalf of the Company, its Subsidiaries and Affiliates by providing incentives through the granting of Awards. The Company expects that it will benefit from the added interest which such individuals will have in the welfare of the Company as a result of their proprietary interest in the Company's success.

2. Definitions

The following capitalized terms used in the Program have the respective meanings set forth in this Section:

- (a) Act: The Securities Exchange Act of 1934, as amended, or any  
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 successor thereto.
- (b) Affiliate: Any entity in which the Company, directly or  
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 indirectly, has at least a five percent ownership interest.
- (c) Award: The grant of an Option, Stock Appreciation Right, or  
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 Other Stock-Based Award or the sale of Purchased Shares pursuant to such terms, conditions, requirements and limitations as the Board may establish in order to fulfill the objectives of the Program.
- (d) Beneficial Owner: As such term is defined in Rule 13d-3 under  
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 the Act (or any successor rule thereto).
- (e) Board: The Board of Directors of the Company.  
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- (f) Cause: the (a) failure to perform duties which is not cured  
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 within 30 days of receiving written notice, (b) conviction or plea of guilty or no contest to (i) a felony or (ii) a crime involving moral turpitude or (c) willful malfeasance or misconduct which is materially injurious to the Company.

(g) Change in Control: The occurrence of any of the following  
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events:

(i) any Person (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20 percent or more of the combined voting power of the Company's then-outstanding securities;

(ii) during any period of 24 months (not including any period prior to the Effective Date), individuals who, at the beginning of such period, constitute the Board, and any new director (other than (A) a director nominated by a Person who has entered into an agreement with the Company to effect a transaction described in Sections 2(e)(i), (iii) or (iv) of the Program, (B) a director nominated by any Person (including the Company) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which, if consummated, would constitute a Change in Control, or (C) a director nominated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Company representing 10 percent or more of the combined voting power of the Company's securities) whose election by the Board or nomination for election by the Company's stockholders was approved in advance by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the stockholders of the Company approve any transaction or series of transactions under which the Company is merged or consolidated with any other company, other than a merger or consolidation (A) which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent corporation) more than 66-2/3 percent of the combined voting power of the voting securities of the Company or such surviving entity or its parent corporation outstanding immediately after such merger or consolidation, and (B) after which no Person holds 20 percent or more of the combined voting power of the then-outstanding securities of the Company or such surviving entity or its parent corporation; or

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

- (h) Code: The Internal Revenue Code of 1986, as amended, or any  
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successor thereto.
- (i) Committee: The Compensation Committee of the Board.  
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- (j) Company: Heidrick & Struggles International, Inc. a Delaware  
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corporation.
- (k) Disability: The inability to work in any occupation due to an  
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injury or sickness or any serious medical condition. The determination whether a Participant has suffered a Disability shall be made by the Committee based upon such evidence as it deems necessary and appropriate. A Participant shall not be considered disabled unless he or she furnishes such medical or other evidence of the existence of the Disability as the Committee, in its sole discretion, may require.
- (l) Effective Date: The date on which the Program takes effect, as  
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defined pursuant to Section 18 of the Program.
- (m) Fair Market Value: (i) As of any date prior to an Initial  
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Public Offering, the value of a Share as determined by the Committee based upon an objective valuation of the Company conducted within the preceding 12 months on behalf of the Committee by the Company or by an independent person or entity having recognized expertise in the valuation of companies; and (ii) as of any date on or after an Initial Public Offering, the arithmetic mean of the high and low prices of the Shares as reported on such date on the Composite Tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if no Composite Tape exists for such national securities exchange on such date, then on the principal national securities exchange on which such Shares are listed or admitted to trading, or, if the Shares are not listed or admitted on a national securities exchange, the arithmetic mean of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such market in which such prices are regularly quoted), or, if there is no market on which the Shares are regularly quoted, the Fair Market Value shall be the value established by the Committee in good faith. If no sale of Shares shall have been reported on such Composite Tape or such national securities exchange on such date or quoted on the National

Association of Securities Dealer Automated Quotation System on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used.

- (n) Initial Public Offering: The first to occur of (a) the sale, in -----  
a public offering, of at least 20 percent of the Shares of the Company or (b) any transaction as a result of which the Shares of the Company are required to be registered under Section 12 of the Act.
- (o) LSAR: A limited stock appreciation right granted pursuant to -----  
Section 8(d) of the Program.
- (p) Other Stock-Based Awards: Awards granted pursuant to Section 10 -----  
of the Program.
- (q) Option: A stock option granted pursuant to Section 7 of the -----  
Program.
- (r) Option Price: The purchase price per Share of an Option, as -----  
determined pursuant to Section 7(a) of the Program.
- (s) Participant: An individual who is selected by the Committee to -----  
participate in the Program pursuant to Section 5 of the Program.
- (t) Performance-Based Awards: Certain Other Stock-Based Awards -----  
granted pursuant to Section 10(b) of the Program.
- (u) Person: As such term is defined in Section 3 of the Act or as -----  
such term is used for purposes of Section 13(d) or 14(d) of the Act (or any successor section thereto).
- (v) Program: The 1998 Heidrick & Struggles GlobalShare Program I. -----
- (w) Purchase Right: The right to purchase a specified number of -----  
Shares pursuant to Section 9 of the Program.
- (x) Purchased Shares: Shares purchased pursuant to a Purchase Right. -----
- (y) Retirement: Termination of employment with the Company or a -----  
Subsidiary after such Participant has attained age 65; or, with the prior written consent of the Committee that such termination be treated as a Retirement hereunder, termination of employment under other circumstances.

- (z) Shares: Shares of common stock, par value \$0.01 per Share, of  
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the Company.
- (aa) Stock Appreciation Right: A stock appreciation right granted  
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pursuant to Section 8 of the Program.
- (bb) Subsidiary: A subsidiary corporation, as defined in Section  
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424(f) of the Code (or any successor section thereto).

### 3. Shares Subject to the Program

The total number of Shares which may be issued or delivered as Awards under the Program and the 1998 Heidrick & Struggles GlobalShare Program II (AProgram II@) (herein collectively referred to as the AOverall Program@) is 3,721,667, consisting of (a) 666,667 Shares eligible to be purchased under the Overall Program pursuant to a Purchase Right and (b) 3,055,000 Shares which may be awarded as Options or other Stock Based Awards under the Overall Program. The aggregate maximum number of Shares for which Awards may be granted under the Overall Program during a calendar year to any Participant in either the Program or Program II shall be 275,000. The Shares may consist, in whole or in part, of authorized and unissued Shares or treasury Shares or Shares which are authorized and issued and have been acquired by or on behalf of the Company or the Overall Program and are available for Awards under the Overall Program. The issuance of Shares or the payment of cash upon the exercise of an Award shall reduce the total number of Shares available under the Overall Program, as applicable. Shares which are subject to Awards which are forfeited, terminated, or expire unexercised may be granted again under the Overall Program.

### .4. Administration

Prior to an Initial Public Offering, the Program shall be administered by the Board. Thereafter, the Program shall be administered by the Committee, which may delegate its duties and powers in whole or in part to any subcommittee thereof consisting solely of at least two individuals who are each "non-employee directors" within the meaning of Rule 16b-3 under the Act (or any successor rule thereto) and "outside directors" within the meaning of Section 162(m) of the Code (or any successor section thereto). The Committee is authorized to interpret the Program, to establish, amend and rescind any rules and regulations relating to the Program, and to make any other determinations that it deems necessary or desirable for the administration of the Program. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Program in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Program, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors). The Committee shall require payment of any amount it may determine to be necessary to withhold for federal, state, local or other taxes as a result of the exercise of an Award. To the extent permitted by the

Committee, the Participant may elect to pay a portion or all of such withholding taxes by (a) delivery in Shares or (b) having Shares withheld by the Company from any Shares that would have otherwise been received by the Participant. The number of Shares so delivered or withheld shall have an aggregate Fair Market Value sufficient to satisfy the applicable withholding taxes. The Board, by specific resolution, may constitute the chief executive officer as a committee of one which shall have the authority to grant Awards of up to an aggregate of 100,000 Shares in each calendar year to each Participant in the Program or in Program II who is not subject to the rules promulgated under Section 16 of the Act or Section 162(m) of the Code (or any successor section of either); provided, however, that such chief executive officer shall notify the Committee of any such grants made pursuant to this Section 4.

#### 5. Eligibility

Employees and directors of the Company and its Subsidiaries and Affiliates are eligible to be granted Awards under the Program. Except as set forth in Section 4, Participants shall be selected by the Committee, in its sole discretion, from among those eligible, and the Committee shall determine, in its sole discretion, the number of Shares to be covered by the Awards granted to each Participant.

#### 6. Limitations

No Award may be granted under the Program after the tenth anniversary of the Effective Date, but Awards theretofore granted may extend beyond that date.

#### 7. Terms and Conditions of Options

Options granted under the Program shall be, as determined by the Committee, non-qualified or incentive stock options for federal income tax purposes, as outlined and evidenced by the related Award agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

(a) Option Price. The Option Price per Share shall be determined by

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the Committee, but shall not be less than 100 percent of the Fair Market Value of the Shares on the date an Option is granted. Notwithstanding the above, the Option Price per Share for any Options granted in connection with an Initial Public Offering shall be the Initial Public Offering price per Share.

(b) Exercisability. Options granted under the Program shall be

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exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than ten years after the date it is granted.

## (c) Exercise of Options. Except as otherwise provided in the Program

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or in an Award agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of Section 7 of the Program, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, (A) the date payment is received by the Company under (i), (ii) or (iii) below, or (B) the date irrevocable instructions are delivered to a broker for sale of such Shares, in accordance with (iv) below. The purchase price for the Shares as to which an Option is exercised shall be paid to the Company in full at the time of exercise at the election of the Participant (i) in cash, (ii) in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee, (iii) partly in cash and partly in such Shares, or (iv) through the delivery of irrevocable instructions to a broker to deliver promptly to the Company an amount equal to the aggregate Option Price for the Shares being purchased. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Program.

## 8. Terms and Conditions of Stock Appreciation Rights

## (a) Grants. The Committee also may grant (i) a Stock Appreciation

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Right independent of an Option, or (ii) a Stock Appreciation Right in connection with an Option, or a portion thereof. A Stock Appreciation Right granted pursuant to clause (ii) of the preceding sentence (A) may be granted at the time the related Option is granted or at any time prior to the exercise or cancellation of the related Option, (B) shall cover the same Shares covered by an Option (or such lesser number of Shares as the Committee may determine), and (C) shall be subject to the same terms and conditions as such Option except for such additional limitations as are contemplated by this Section 8 (or such additional limitations as may be included in an Award agreement).

## (b) Terms. The exercise price per Share of a Stock Appreciation Right

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shall be an amount determined by the Committee but in no event shall such amount be less than the greater of (i) the Fair Market Value of a Share on the date the Stock Appreciation Right is granted or, in the case of a Stock Appreciation Right granted in conjunction with an Option or a portion thereof, the Option Price of the related Option, and (ii) an amount permitted by applicable laws, rules, by-laws or policies of regulatory authorities or stock exchanges. Each Stock Appreciation Right granted independent of an Option shall entitle a Participant upon exercise to an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the exercise price per Share, times (ii) the number of Shares covered by the Stock Appreciation Right. Each Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, shall entitle a Participant to surrender to the Company the unexercised Option, or any portion thereof, and to receive from the Company in exchange therefor an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the Option Price per Share, times (ii) the number of Shares covered by the

Option, or portion thereof, which is surrendered. The date a notice of exercise is received by the Company shall be the exercise date. Payment shall be made in Shares or in cash, or partly in Shares and partly in cash, valued at such Fair Market Value, all as shall be determined by the Committee. Stock Appreciation Rights may be exercised from time to time upon actual receipt by the Company of written notice of exercise stating the number of Shares with respect to which the Stock Appreciation Right is being exercised. No fractional Shares will be issued in payment for Stock Appreciation Rights, but instead cash will be paid for a fraction or, if the Committee should so determine, the number of Shares will be rounded downward to the next whole Share.

(c) Limitations. The Committee may impose, in its discretion, such

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 conditions upon the exercisability or transferability of Stock Appreciation Rights as it may deem fit.

(d) Limited Stock Appreciation Rights. The Committee may grant LSARs

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 that are exercisable upon the occurrence of specified contingent events. Such LSARs may provide for a different method of determining appreciation, may specify that payment will be made only in cash and may provide that any related Awards are not exercisable while such LSARs are exercisable. Unless the context otherwise requires, whenever the term "Stock Appreciation Right" is used in the Program, such term shall include LSARs.

#### 9. Purchased Shares

In connection with an Initial Public Offering, the Board, in its sole discretion, may grant Awards of or offer a right to purchase a specified number of Shares (the APurchased Shares@) at the Initial Public Offering price per Share. Any such grant or offer may be made in such manner as the Board may determine, including pursuant to a Subscription Agreement between the Company and the Participant, provided that any such purchase shall occur not later than ten days after the date of the Initial Public Offering.

#### 10. Other Stock-Based Awards

(a) Generally. The Committee, in its sole discretion, may grant

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 Awards of Shares, Awards of restricted Shares and Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares ("Other Stock-Based Awards"). Such Other Stock-Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Awards granted under the Program. Subject to the provisions of the Program, the Committee shall determine to whom and when Other Stock-Based Awards will be made, the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash, Shares or a



combination of cash and Shares; and all other terms and conditions of such Awards (including, without limitation, the vesting provisions thereof).

(b) Performance-Based Awards. Notwithstanding anything to the

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 contrary herein, certain Other Stock-Based Awards granted under this Section 10 may be granted on the basis of performance of the Company ("Performance-Based Awards"), and designated as Performance Based Awards; provided, however, that the Committee may grant other Awards that are not intended to be Performance Based Awards (even though such Awards are subject to the attainment of specified performance goals) and not designated as such. A Participant's Performance-Based Award shall be determined based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee (i) while the outcome for that performance period is substantially uncertain and (ii) no more than 90 days after the commencement of the performance period to which the performance goal relates or, if less, the number of days which is equal to 25 percent of the relevant performance period. The performance goals, which must be objective, shall be based upon one or more of the following criteria: (i) consolidated earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization); (ii) net income; (iii) operating income; (iv) earnings per Share; (v) book value per Share; (vi) return on stockholders' equity; (vii) expense management; (viii) return on investment; (ix) improvements in capital structure; (x) profitability of an identifiable business unit or product; (xi) maintenance or improvement of profit margins; (xii) stock price; (xiii) market share; (xiv) revenues or sales; (xv) costs; (xvi) cash flow; (xvii) working capital and (xviii) return on assets. The foregoing criteria may relate to the Company, one or more of its Subsidiaries or one or more of its divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee shall determine. In addition, to the degree consistent with Section 162(m) of the Code (or any successor section thereto), the performance goals may be calculated without regard to extraordinary items. The maximum amount of a Performance-Based Award to any Participant with respect to a fiscal year of the Company shall be \$2,000,000. The Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given Participant and, if they have, to so certify and ascertain the amount of the applicable Performance-Based Award. No Performance-Based Awards will be paid for such performance period until such certification is made by the Committee. The amount of the Performance-Based Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula, at the discretion of the Committee. The amount of the Performance-Based Award determined by the Committee for a performance period shall be paid to the Participant at such time as determined by the Committee in its sole discretion after the end of such performance period; provided, however, that a Participant may, if and to the extent permitted by the Committee and consistent with the provisions of Section 162(m) of the Code, elect to defer payment of a Performance-Based Award.

## 11. Adjustments Upon Certain Events

Notwithstanding any other provisions in the Program to the contrary, the following provisions shall apply to all Awards granted under the Program:

### (a) Generally. In the event of any change in the outstanding Shares

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 after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of Shares or other corporate exchange, or any distribution to stockholders of Shares other than regular cash dividends, the Committee in its sole discretion and without liability to any person may make such substitution or adjustment, if any, as it deems to be equitable, as to (i) the number or kind of Shares or other securities issued or reserved for issuance pursuant to the Program or pursuant to outstanding Awards, (ii) the Option Price and/or (iii) any other affected terms of such Awards.

### (b) Change in Control. Except as otherwise provided in an Award

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 agreement, in the event of a Change in Control, the Committee in its sole discretion and without liability to any person may take such actions, if any, as it deems necessary or desirable with respect to any Award (including, without limitation, (i) the acceleration of an Award, (ii) the payment of a cash amount in exchange for the cancellation of an Award and/or (iii) the requiring of the issuance of substitute Awards that will substantially preserve the value, rights and benefits of any affected Awards previously granted hereunder) as of the date of the consummation of the Change in Control. Any such determination by the Committee shall be final and binding upon the Company and all Participants.

## 12. No Right to Employment; No Obligation of Uniform Treatment

The granting of an Award under the Program shall impose no obligation on the Company or any Subsidiary or Affiliate to continue the employment of a Participant and shall not lessen or affect the Company's, Subsidiary's or Affiliate's right to terminate the employment of such Participant. No Participant, officer, employee or director shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants or any other Persons.

## 13. Successors and Assigns

The Program shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

## 14. Nontransferability of Awards

Except to the extent provided by the Committee, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent

and distribution. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

#### 15. Amendments or Termination

The Board may amend, alter or discontinue the Program, but, if necessary to obtain an exemption from Section 16 of the Act or Section 162(m) of the Code, no amendment, alteration or discontinuation shall be made which, (a) without the approval of the stockholders of the Company, would (except as is provided in Section 11 of the Program), increase the total number of Shares reserved for the purposes of the Program, or (b) without the consent of a Participant, would impair any of the rights or obligations under any Award theretofore granted to such Participant under the Program; provided, however, that the Committee may amend the Program in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws. Notwithstanding anything to the contrary herein, the Board may not amend, alter or discontinue the provisions relating to Section 11(b) of the Program after the occurrence of a Change in Control.

#### 16. International Participants

With respect to Participants who reside or work outside the United States of America and who are not (and who are not expected to be) "covered employees" within the meaning of Section 162(m) of the Code, the Committee may, in its sole discretion, amend the terms of the Program or Awards with respect to such Participants in order to conform such terms with the requirements of local law.

#### 17. Choice of Law

The Program shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in the State of New York.

#### 18. Effectiveness of the Program

The Program shall be effective as of June 9, 1998. If the Program is not approved by the stockholders of the Company prior to the first anniversary of the Effective Date, no Awards may be granted thereafter. No new Awards may be granted under the Program after June 8, 2008.

1998 HEIDRICK & STRUGGLES  
 GLOBALSHARE PROGRAM II

1. Purpose of the Program

The purpose of the Program is to aid the Company and its Subsidiaries and Affiliates in rewarding certain individuals who are independent contractors to or non-employee Directors of the Company, its Subsidiaries and Affiliates and to motivate such individuals to exert their best efforts on behalf of the Company, its Subsidiaries and Affiliates by providing incentives through the granting of Awards. The Company expects that it will benefit from the added interest which such individuals will have in the welfare of the Company as a result of their proprietary interest in the Company's success.

2. Definitions

The following capitalized terms used in the Program have the respective meanings set forth in this Section:

- (a) Act: The Securities Exchange Act of 1934, as amended, or any  
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 successor thereto.
- (b) Affiliate: Any entity in which the Company, directly or  
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 indirectly, has at least a five percent ownership interest.
- (c) Award: The grant of an Option, Stock Appreciation Right, or  
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 Other Stock-Based Award or the sale of Purchased Shares pursuant to such terms, conditions, requirements and limitations as the Board may establish in order to fulfill the objectives of the Program.
- (d) Beneficial Owner: As such term is defined in Rule 13d-3 under  
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 the Act (or any successor rule thereto).
- (e) Board: The Board of Directors of the Company.  
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- (f) Cause: the (a) failure to perform duties which is not cured  
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 within 30 days of receiving written notice, (b) conviction or plea of guilty or no contest to (i) a felony or (ii) a crime involving moral turpitude or (c) willful malfeasance or misconduct which is materially injurious to the Company.

(g) Change in Control: The occurrence of any of the following

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events:

(i) any Person (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20 percent or more of the combined voting power of the Company's then-outstanding securities;

(ii) during any period of 24 months (not including any period prior to the Effective Date), individuals who, at the beginning of such period, constitute the Board, and any new director (other than (A) a director nominated by a Person who has entered into an agreement with the Company to effect a transaction described in Sections 2(e)(i), (iii) or (iv) of the Program, (B) a director nominated by any Person (including the Company) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which, if consummated, would constitute a Change in Control, or (C) a director nominated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Company representing 10 percent or more of the combined voting power of the Company's securities) whose election by the Board or nomination for election by the Company's stockholders was approved in advance by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the stockholders of the Company approve any transaction or series of transactions under which the Company is merged or consolidated with any other company, other than a merger or consolidation (A) which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent corporation) more than 66-2/3 percent of the combined voting power of the voting securities of the Company or such surviving entity or its parent corporation outstanding immediately after such merger or consolidation, and (B) after which no Person holds 20 percent or more of the combined voting power of the then-outstanding securities of the Company or such surviving entity or its parent corporation; or

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

- (h) Code: The US Internal Revenue Code of 1986, as amended, or any  
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successor thereto.
- (i) Committee: The Compensation Committee of the Board.  
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- (j) Company: Heidrick & Struggles International, Inc. a Delaware  
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corporation.
- (k) Effective Date: The date on which the Program takes effect, as  
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defined pursuant to Section 18 of the Program.
- (l) Fair Market Value: (i) As of any date prior to an Initial  
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Public Offering, the value of a Share as determined by the Committee based upon an objective valuation of the Company conducted within the preceding 12 months on behalf of the Committee by the Company or by an independent person or entity having recognized expertise in the valuation of companies; and (ii) as of any date on or after an Initial Public Offering, the arithmetic mean of the high and low prices of the Shares as reported on such date on the Composite Tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if no Composite Tape exists for such national securities exchange on such date, then on the principal national securities exchange on which such Shares are listed or admitted to trading, or, if the Shares are not listed or admitted on a national securities exchange, the arithmetic mean of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such market in which such prices are regularly quoted), or, if there is no market on which the Shares are regularly quoted, the Fair Market Value shall be the value established by the Committee in good faith. If no sale of Shares shall have been reported on such Composite Tape or such national securities exchange on such date or quoted on the National Association of Securities Dealer Automated Quotation System on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used.
- (m) Initial Public Offering: The first to occur of (a) the sale, in  
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a public offering, of at least 20 percent of the Shares of the Company or (b) any transaction as a result of which the Shares of the Company are required to be registered under Section 12 of the Act.

- (n) LSAR: A limited stock appreciation right granted pursuant to  
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Section 8(d) of the Program.
- (o) Other Stock-Based Awards: Awards granted pursuant to Section 10  
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of the Program.
- (p) Option: A stock option granted pursuant to Section 7 of the  
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Program.
- (q) Option Price: The purchase price per Share of an Option, as  
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determined pursuant to Section 7(a) of the Program.
- (r) Participant: An individual who is selected by the Committee to  
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participate in the Program pursuant to Section 5 of the Program.
- (s) Performance-Based Awards: Certain Other Stock-Based Awards  
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granted pursuant to Section 10(b) of the Program.
- (t) Person: As such term is defined in Section 3 of the Act or as  
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such term is used for purposes of Section 13(d) or 14(d) of the  
Act (or any successor section thereto).
- (u) Program: The 1998 Heidrick & Struggles GlobalShare Program II.  
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- (v) Purchase Right: The right to purchase a specified number of  
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Shares pursuant to Section 9 of the Program.
- (w) Purchased Shares: Shares purchased pursuant to a Purchase Right.  
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- (x) Shares: Shares of common stock, par value \$0.01 per Share, of  
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the Company.
- (y) Stock Appreciation Right: A stock appreciation right granted  
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pursuant to Section 8 of the Program.
- (z) Subsidiary: A subsidiary corporation, as defined in Section  
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424(f) of the Code (or any successor section thereto).

### 3. Shares Subject to the Program

The total number of Shares which may be issued or delivered as Awards under the Program and the 1998 Heidrick & Struggles GlobalShare Program I ("Program I") (herein collectively referred to as the "Overall Program") is 3,721,667, consisting of (a) 666,667 Shares eligible to be purchased under the Overall Program pursuant to a Purchase Right and (b) 3,055,000 Shares which may be awarded as Options or other Stock Based Awards under

the Overall Program. The aggregate maximum number of Shares for which Awards may be granted under the Overall Program during a calendar year to any Participant in either the Program or Program I shall be 275,000. The Shares may consist, in whole or in part, of authorized and unissued Shares or treasury Shares or Shares which are authorized and issued and have been acquired by or on behalf of the Company or the Overall Program and are available for Awards under the Overall Program. The issuance of Shares or the payment of cash upon the exercise of an Award shall reduce the total number of Shares available under the Overall Program, as applicable. Shares which are subject to Awards which are forfeited, terminated, or expire unexercised may be granted again under the Overall Program.

#### .4. Administration

Prior to an Initial Public Offering, the Program shall be administered by the Board. Thereafter, the Program shall be administered by the Committee, which may delegate its duties and powers in whole or in part to any subcommittee thereof consisting solely of at least two individuals who are each "non-employee directors" within the meaning of Rule 16b-3 under the Act (or any successor rule thereto) and "outside directors" within the meaning of Section 162(m) of the Code (or any successor section thereto). The Committee is authorized to interpret the Program, to establish, amend and rescind any rules and regulations relating to the Program, and to make any other determinations that it deems necessary or desirable for the administration of the Program. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Program in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Program, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors). The Committee shall require payment of any amount it may determine to be necessary to withhold for federal, state, local or other taxes as a result of the exercise of an Award. To the extent permitted by the Committee, the Participant may elect to pay a portion or all of such withholding taxes by (a) delivery in Shares or (b) having Shares withheld by the Company from any Shares that would have otherwise been received by the Participant. The number of Shares so delivered or withheld shall have an aggregate Fair Market Value sufficient to satisfy the applicable withholding taxes. The Board, by specific resolution, may constitute the chief executive officer as a committee of one which shall have the authority to grant Awards of up to an aggregate of 100,000 Shares in each calendar year to each Participant in the Program or Program I who is not subject to the rules promulgated under Section 16 of the Act or Section 162(m) of the Code (or any successor section of either); provided, however, that such chief executive officer shall notify the Committee of any such grants made pursuant to this Section 4.



## 5. Eligibility

Independent contractors to and non-employee Directors of the Company and its Subsidiaries and Affiliates are eligible to be granted Awards under the Program. Except as set forth in Section 4, Participants shall be selected by the Committee, in its sole discretion, from among those eligible, and the Committee shall determine, in its sole discretion, the number of Shares to be covered by the Awards granted to each Participant.

## 6. Limitations

No Award may be granted under the Program after the tenth anniversary of the Effective Date, but Awards theretofore granted may extend beyond that date.

## 7. Terms and Conditions of Options

Options granted under the Program shall be, as determined by the Committee, non-qualified or incentive stock options for US federal income tax purposes, as outlined and evidenced by the related Award agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

(a) Option Price. The Option Price per Share shall be determined by -----

the Committee, but shall not be less than 100 percent of the Fair Market Value of the Shares on the date an Option is granted. Notwithstanding the above, the Option Price per Share for any Options granted in connection with an Initial Public Offering shall be the Initial Public Offering price per Share.

(b) Exercisability. Options granted under the Program shall be -----

exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than ten years after the date it is granted.

(c) Exercise of Options. Except as otherwise provided in the Program -----

or in an Award agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of Section 7 of the Program, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, (A) the date payment is received by the Company under (i), (ii) or (iii) below, or (B) the date irrevocable instructions are delivered to a broker for sale of such Shares, in accordance with (iv) below. The purchase price for the Shares as to which an Option is exercised shall be paid to the Company in full at the time of exercise at the election of the Participant (i) in cash, (ii) in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee, (iii) partly in cash and partly in such Shares, or (iv) through the delivery of irrevocable instructions to a broker to deliver promptly to the Company an amount equal to the aggregate Option Price for the Shares being purchased. No Participant shall have

any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Program.

#### 8. Terms and Conditions of Stock Appreciation Rights

(a) Grants. The Committee also may grant (i) a Stock Appreciation

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Right independent of an Option, or (ii) a Stock Appreciation Right in connection with an Option, or a portion thereof. A Stock Appreciation Right granted pursuant to clause (ii) of the preceding sentence (A) may be granted at the time the related Option is granted or at any time prior to the exercise or cancellation of the related Option, (B) shall cover the same Shares covered by an Option (or such lesser number of Shares as the Committee may determine), and (C) shall be subject to the same terms and conditions as such Option except for such additional limitations as are contemplated by this Section 8 (or such additional limitations as may be included in an Award agreement).

(b) Terms. The exercise price per Share of a Stock Appreciation Right

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shall be an amount determined by the Committee but in no event shall such amount be less than the greater of (i) the Fair Market Value of a Share on the date the Stock Appreciation Right is granted or, in the case of a Stock Appreciation Right granted in conjunction with an Option or a portion thereof, the Option Price of the related Option, and (ii) an amount permitted by applicable laws, rules, by-laws or policies of regulatory authorities or stock exchanges. Each Stock Appreciation Right granted independent of an Option shall entitle a Participant upon exercise to an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the exercise price per Share, times (ii) the number of Shares covered by the Stock Appreciation Right. Each Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, shall entitle a Participant to surrender to the Company the unexercised Option, or any portion thereof, and to receive from the Company in exchange therefor an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the Option Price per Share, times (ii) the number of Shares covered by the Option, or portion thereof, which is surrendered. The date a notice of exercise is received by the Company shall be the exercise date. Payment shall be made in Shares or in cash, or partly in Shares and partly in cash, valued at such Fair Market Value, all as shall be determined by the Committee. Stock Appreciation Rights may be exercised from time to time upon actual receipt by the Company of written notice of exercise stating the number of Shares with respect to which the Stock Appreciation Right is being exercised. No fractional Shares will be issued in payment for Stock Appreciation Rights, but instead cash will be paid for a fraction or, if the Committee should so determine, the number of Shares will be rounded downward to the next whole Share.

(c) Limitations. The Committee may impose, in its discretion, such

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conditions upon the exercisability or transferability of Stock Appreciation Rights as it may deem fit.

## (d) Limited Stock Appreciation Rights. The Committee may grant LSARS

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 that are exercisable upon the occurrence of specified contingent events. Such LSARS may provide for a different method of determining appreciation, may specify that payment will be made only in cash and may provide that any related Awards are not exercisable while such LSARS are exercisable. Unless the context otherwise requires, whenever the term "Stock Appreciation Right" is used in the Program, such term shall include LSARS.

## 9. Purchased Shares

In connection with an Initial Public Offering, the Board, in its sole discretion, may grant Awards of or offer a right to purchase a specified number of Shares (the APurchased Shares@) at the Initial Public Offering price per Share. Any such grant or offer may be made in such manner as the Board may determine, including pursuant to a Subscription Agreement between the Company and the Participant, provided that any such purchase shall occur not later than ten days after the date of the Initial Public Offering.

## 10. Other Stock-Based Awards

## (a) Generally. The Committee, in its sole discretion, may grant

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 Awards of Shares, Awards of restricted Shares and Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares ("Other Stock-Based Awards"). Such Other Stock-Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Awards granted under the Program. Subject to the provisions of the Program, the Committee shall determine to whom and when Other Stock-Based Awards will be made, the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such Awards (including, without limitation, the vesting provisions thereof).

## (b) Performance-Based Awards. Notwithstanding anything to the

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 contrary herein, certain Other Stock-Based Awards granted under this Section 10 may be granted on the basis of performance of the Company ("Performance-Based Awards") and designated as Performance Based Awards; provided, however, that the Committee may grant other Awards that are not intended to be Performance Based Awards (even though such Awards are subject to the attainment of specified performance goals) and not designated as such. A Participant's Performance-Based Award shall be determined based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee (i) while the outcome for that performance period is substantially uncertain and (ii) no more than 90 days after the commencement of the performance period to which the performance goal relates or, if less, the number of days which is equal to 25 percent of the relevant performance

period. The performance goals, which must be objective, shall be based upon one or more of the following criteria: (i) consolidated earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization); (ii) net income; (iii) operating income; (iv) earnings per Share; (v) book value per Share; (vi) return on stockholders' equity; (vii) expense management; (viii) return on investment; (ix) improvements in capital structure; (x) profitability of an identifiable business unit or product; (xi) maintenance or improvement of profit margins; (xii) stock price; (xiii) market share; (xiv) revenues or sales; (xv) costs; (xvi) cash flow; (xvii) working capital and (xviii) return on assets. The foregoing criteria may relate to the Company, one or more of its Subsidiaries or one or more of its divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee shall determine. In addition, to the degree consistent with Section 162(m) of the Code (or any successor section thereto), the performance goals may be calculated without regard to extraordinary items. The maximum amount of a Performance-Based Award to any Participant with respect to a fiscal year of the Company shall be \$2,000,000. The Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given Participant and, if they have, to so certify and ascertain the amount of the applicable Performance-Based Award. No Performance-Based Awards will be paid for such performance period until such certification is made by the Committee. The amount of the Performance-Based Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula, at the discretion of the Committee. The amount of the Performance-Based Award determined by the Committee for a performance period shall be paid to the Participant at such time as determined by the Committee in its sole discretion after the end of such performance period; provided, however, that a Participant may, if and to the extent permitted by the Committee and consistent with the provisions of section 162(m) of the Code, elect to defer payment of a Performance-Based Award.

#### 11. Adjustments Upon Certain Events

Notwithstanding any other provisions in the Program to the contrary, the following provisions shall apply to all Awards granted under the Program:

- (a) Generally. In the event of any change in the outstanding Shares

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 after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of Shares or other corporate exchange, or any distribution to stockholders of Shares other than regular cash dividends, the Committee in its sole discretion and without liability to any person may make such substitution or adjustment, if any, as it deems to be equitable, as to (i) the number or kind of Shares or other securities issued or reserved for issuance pursuant to the Program or pursuant to outstanding Awards, (ii) the Option Price and/or (iii) any other affected terms of such Awards.

- (b) Change in Control. Except as otherwise provided in an Award

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 agreement, in the event of a Change in Control, the Committee in its sole discretion and without liability

to any person may take such actions, if any, as it deems necessary or desirable with respect to any Award (including, without limitation, (i) the acceleration of an Award, (ii) the payment of a cash amount in exchange for the cancellation of an Award and/or (iii) the requiring of the issuance of substitute Awards that will substantially preserve the value, rights and benefits of any affected Awards previously granted hereunder) as of the date of the consummation of the Change in Control. Any such determination by the Committee shall be final and binding upon the Company and all Participants.

#### 12. No Right to Continued Relationship; No Obligation of Uniform Treatment

The granting of an Award under the Program shall impose no obligation on the Company or any Subsidiary or Affiliate to continue the independent contractor relationship between it and any Participant and shall not lessen or affect the Company's, Subsidiary's or Affiliate's right to terminate its relationship with such Participant. No Participant shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants or any other Persons.

#### 13. Successors and Assigns

The Program shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

#### 14. Nontransferability of Awards

Except to the extent provided by the Committee, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

#### 15. Amendments or Termination

The Board may amend, alter or discontinue the Program, but, if necessary to obtain an exemption from Section 16 of the Act or Section 12(m) of the Code, no amendment, alteration or discontinuation shall be made which, (a) without the approval of the stockholders of the Company, would (except as is provided in Section 11 of the Program), increase the total number of Shares reserved for the purposes of the Program, or (b) without the consent of a Participant, would impair any of the rights or obligations under any Award theretofore granted to such Participant under the Program; provided, however, that the Committee may amend the Program in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws. Notwithstanding anything to the contrary herein, the Board may not amend, alter or discontinue the provisions relating to Section 11(b) of the Program after the occurrence of a Change in Control.

#### 16. International Participants

With respect to Participants who reside or work outside the United States of America and who are not (and who are not expected to be) "covered employees" within the meaning of Section 162(m) of the Code, the Committee may, in its sole discretion, amend the terms of the Program or Awards with respect to such Participants in order to conform such terms with the requirements of local law.

#### 17. Choice of Law

The Program shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in the State of New York.

#### 18. Effectiveness of the Program

The Program shall be effective as of June 9, 1998. If the Program is not approved by the stockholders of the Company prior to the first anniversary of the Effective Date, no Awards may be granted thereafter. No new Awards may be granted under the Program after June 8, 2008.