

# HEIDRICK & STRUGGLES INTERNATIONAL, INC.

## Related Party Transactions Policy

### A. Policy Statement

Introduction. Under Heidrick & Struggles International, Inc.'s Code of Ethics, Corporate Governance Guidelines, and Policy on Resolution of Conflicts of Interest for Directors and Executive Officers, employees, officers and members of the Board of Directors (individually, a "Director") of Heidrick & Struggles International, Inc. (including its subsidiaries, branches and affiliates, the "Company") must report any activity that would cause or appear to cause a conflict of interest on their part<sup>1</sup>. The Board of Directors (the "Board") of the Company recognizes that Related Party Transactions (as defined below) may raise questions as to whether those transactions are consistent with the best interests of the Company and its stockholders.

The Nominating and Board Governance Committee of the Board (the "Committee") shall report all Related Party Transactions to the Audit & Finance Committee of the Board for appropriate financial statement disclosure. The Committee shall also timely advise the Board of all Related Party Transactions, if any, approved or ratified by the Committee. The Committee will review this Policy from time to time, and may recommend to the Board changes to the Policy as the Committee deems appropriate.

Accordingly, upon the recommendation of the Committee, the Board has adopted the procedures set forth below for the review, approval and ratification of Related Party Transactions (together, the "Policy").

### B. Definitions

For purposes of this Policy, the following terms shall have the following meanings:

**"Immediate Family Member"** means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a person, and any person (other than a tenant or an employee) sharing the household of such person or who are financially dependent on the Director.

**"Related Party"** means any person who is or was (since the beginning of the last fiscal year for which the Company has filed an Annual Report on Form 10-K and proxy statement, even if such person does not presently serve in that role) an executive officer, Director or nominee for Director of the Company, any stockholder owning more than 5% of any class of the Company's voting securities, or an Immediate Family Member of any such person.

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<sup>1</sup> Employees who are not executive officers or appointed or nominated Directors should continue to follow the potential conflict disclosure requirements as listed in the Code of Ethics.

**“Related Party Transaction”** is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) (including any indebtedness or guarantee of indebtedness) in which (i) the Company (including any of its subsidiaries) was, is or will be a participant, (ii) the aggregate amount involved will or may be expected to exceed \$120,000 in any fiscal year, and any Related Party had, has or will have a direct or indirect material interest. This also includes any material amendment or modification to an existing Related Party Transaction. However, Related Party Transactions do not include:

1. Transactions involving compensation of executive officers of the Company if:
  - a) the compensation is required to be reported by the Company under Item 402 of Regulation S-K and has been approved by the Board; or
  - b) the executive officer is not an Immediate Family Member of another executive officer or Director of the Company, the related compensation would be reported by the Company under Item 402 of Regulation S-K if the executive officer was a named executive officer (as such term is defined in Item 402(a)(3) of Regulation S-K), and the compensation has been approved by the Board.
2. Transactions involving compensation of Directors for service on the Board, or committees thereof, that has been approved by the Board;
3. Compensation or other transactions available on the same basis to all employees of the Company generally, or to all salaried employees of the Company generally; or
4. Transactions in which the interest of the Related Party arises solely from the ownership of a class of the Company’s securities and all holders of that class receive the same benefit on a pro rata basis, including interests in securities created or otherwise granted pursuant to and in accordance with a Company incentive compensation plan.

**C. Identification of Related Parties**

On a semi-annual basis, as requested by the Committee or the Company’s General Counsel, each Director and executive officer shall disclose in writing to the Company all pertinent information regarding their Related Parties and each charitable or non-profit organization for which the Director or executive officer (or any of his or her Related Parties) is actively involved in fundraising or otherwise serves as a director, trustee or in a similar capacity.

Any person who is nominated or appointed as a Director or an executive officer of the Company shall comply with such a request for information prior to such person’s appointment as a Director or executive officer of the Company, except in the case of an executive officer where due to the

circumstances it is not practicable to submit the information in advance, in which case the information shall be submitted as soon as reasonably practicable following the appointment.

Directors and executive officers are expected to notify the Company's General Counsel of any material updates to the information they provided regarding their Related Parties and the charitable or non-profit organizations with which they and their Related Parties are involved.

The Company's General Counsel shall (a) ensure that information regarding Related Parties is collected as described in this Section, and (b) distribute the information (and the periodic updates thereof) to applicable Company personnel as described further below.

#### **D. Approval Procedures**

It is the responsibility of the Committee to administer this Policy. Any Related Party Transaction that is identified as such prior to the consummation thereof or amendment thereto shall be consummated or amended only if the following steps are taken:

1. Any transaction that would meet the definition Related Party Transaction but for the fact that the aggregate amount involved is not expected to exceed \$120,000 in any fiscal year and where the amount involved is less than \$5,000 may be approved by the Company's General Counsel (or, in the case of a Related Party Transaction involving the General Counsel, the Committee Chair). If so approved, the General Counsel (or the Committee Chair, as applicable) shall report the material terms of the transaction to the Committee at its next regularly scheduled meeting. Any Related Party Transaction where the amount involved is in excess of \$5,000 shall be submitted to the Committee for consideration at its next regularly scheduled Committee meeting, or if they deem it advisable, prior thereto at an interim meeting called for such purpose.

2. For all Related Party Transactions, prior to entering into any such transaction, (a) the Related Party, (b) the Director, executive officer, Director nominee or beneficial owner who is an Immediate Family Member of the Related Party, or (c) the functional/department leader responsible for the potential transaction shall provide notice to the General Counsel (or, in the case of a Related Party Transaction involving the General Counsel, the Committee Chair) of the facts and circumstances of the proposed transaction, including: (i) the Related Party's relationship to the Company and interest in the transaction; (ii) the material facts of the proposed transaction, including the proposed aggregate value of such transaction or, in the case of indebtedness, the amount of principal that would be involved; (iii) the benefits to the Company of the proposed transaction; (iv) if applicable, the availability of other sources of comparable products or services; and (v) an assessment of whether the proposed transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally. The General Counsel (or the Committee Chair, as applicable) will undertake an evaluation of the Related Party Transaction. If that evaluation indicates that the Related Party Transaction would

require the approval of the Committee, the General Counsel (or the Committee Chair, as applicable) will report the Related Party Transaction, together with a summary of the material facts, to the Committee for consideration at the next regularly scheduled Committee meeting.

The General Counsel (or the Committee Chair, as applicable) or the Committee, as the case may be (such party, the "Approving Party"), may also consult with outside counsel as the Approving Party deems necessary and/or appropriate, prior to approving any Related Party Transaction. No individual should participate in any review or consideration of a Related Party Transaction if such person or any of his or her Immediate Family Members is the Related Party in such transaction. The Approving Party shall approve only those Related Party Transactions that are in, or are not inconsistent with, the best interests of the Company and its stockholders, as the Approving Party determines in good faith. The Committee, in its sole discretion, may impose such conditions as it deems appropriate on the Company or the Related Party in connection with the approval of the Related Party Transaction.

If a Related Party Transaction involves a Related Party who is a Director or an Immediate Family Member of a Director, such Director may not participate in any discussion or vote regarding approval or ratification of approval such transaction. However, such Director shall provide all material information concerning the Related Party Transaction to the Committee. Such Director may be counted in determining the presence of a quorum at a meeting of the Committee that considers such transaction.

If the Approving Party determines it is impractical or undesirable to wait until a Committee meeting to consummate a Related Party Transaction, the Committee Chair may review and approve the Related Party Transaction in accordance with the procedures set forth herein. Any such approval (and the rationale for such approval) must be reported to the Committee at the next regularly scheduled Committee meeting.

If the Company becomes aware of a Related Party Transaction that has not been approved under this Policy, the Related Party Transaction shall be reviewed in accordance with the procedures set forth herein and, if the Committee determines it to be appropriate, it may be ratified at the Committee's next regularly scheduled meeting.

In any case where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification.

3. The Approving Party shall convey all decisions with respect to Related Party Transactions to the appropriate personnel within the Company.

4. Any Related Party Transaction approved by the General Counsel (or the Committee Chair, as applicable) shall be reported on a quarterly basis to the Committee.

5. On a quarterly basis, any Related Party Transactions approved by the General Counsel (or the Committee Chair, as applicable) shall also be discussed in the Committee meeting.

6. All reviews and approvals by the Committee shall be documented and evidenced by the minutes of such meeting(s).

7. If the Company enters into a transaction that (i) the Company was not aware constituted a Related Party Transaction at the time it was entered into but which it subsequently determines is a Related Party Transaction or (ii) did not constitute a Related Party Transaction at the time such transaction was entered into but thereafter becomes a Related Party Transaction, then in either such case the Related Party Transaction shall be presented for ratification in the manner set forth above. If such Related Party Transaction is not ratified by the Committee, then the Company shall take all reasonable actions to attempt to terminate the Company's participation in the transaction.

#### **E. Monitoring and Annual Review of Ongoing Transactions**

Periodically, but no less than annually, the Company's General Counsel shall review any amounts paid or payable to, or received or receivable from, any Related Party. If the General Counsel becomes aware of a Related Party Transaction that has not been previously approved, whether as a result of such a review or otherwise, such Related Party Transaction will be submitted for review (if still ongoing) in accordance with the procedures described herein, and the Approving Party will determine the appropriate steps to take with regards to the transaction and any potential disciplinary action against the persons involved.

Annually, the Committee shall review any previously approved Related Party Transaction that remains ongoing with a total amount payable to, or receivable from, the Company of more than \$25,000. Based on all relevant facts and circumstances, taking into consideration the Company's contractual obligations, the Committee shall determine if it is in the best interests of the Company and its stockholders to continue, modify or terminate each such transaction.

#### **F. Ongoing Transactions and Standing Pre-Approval for Certain Interested Transactions**

1. Ongoing Transactions. If a Related Party Transaction will be ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee, on at least an annual basis, shall review and assess ongoing relationships with the Related Party to ensure that they are in compliance with the Committee's guidelines and that the Related Party Transaction remains appropriate.

2. Standing Pre-Approval. The Committee has reviewed the types of Related Party Transactions described below and determined that each of the following types of Related Party Transactions shall be deemed to be pre-approved or ratified, as applicable, by the Committee,

even if the aggregate amount involved will exceed \$120,000, unless specifically determined otherwise by the Committee. In connection with each regularly scheduled meeting of the Committee, a summary of each new Related Party Transaction deemed pre-approved pursuant to this paragraph shall be provided to the Committee for its review.

- 2.1. Certain transactions with other companies. Any transaction with another company at which a Related Party's only relationship is as (i) a director, (ii) a beneficial owner of less than 10%, together with his or her Immediate Family Members, of that company's outstanding equity, or (iii) in the case of partnerships, a limited partner, if the limited partner, together with his or her Immediate Family Members, has an interest of less than 10% and the limited partner does not hold another position in the partnership, if the aggregate amount involved does not exceed the greater of \$200,000 or five percent of the other company's consolidated gross revenues.
- 2.2. Certain charitable contributions. Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university at which a Related Party's only relationship is as an employee (other than an executive officer), if the aggregate amount involved does not exceed the greater of \$50,000 or five percent of the charitable organization's total revenues.
- 2.3. Indemnification. Indemnification and advancement of expenses made pursuant to the Company's Certificate of Incorporation or the Amended and Restated By-laws or pursuant to any agreement.

#### **G. Charitable Contributions By the Company**

Proposed charitable contributions or pledges of charitable contributions by the Company to a charitable or non-profit organization identified on the roster of Related Parties shall be subject to prior review and approval by the Committee.

#### **H. Disclosure**

All Related Party Transactions that are required to be disclosed in the Company's filings with the SEC, as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules and regulations, shall be so disclosed in accordance with such laws, rules and regulations, including without limitation, Item 404 of Regulation S-K.

Adopted: September 23, 2020