KORN FERRY INTERNATIONAL
Form DEF 14A
August 26, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

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

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

þ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to (§) 240.14a-12

(Name of Registrant As Specified In Its Charter)

KORN/FERRY INTERNATIONAL

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No Fee required

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

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials:

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

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Notes:

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1900 Avenue of the Stars, Suite 2600

Los Angeles, California 90067

August 26, 2011

Dear Stockholders:

It is my pleasure to invite you to attend the 2011 Annual Meeting of Stockholders (the Annual Meeting) of Korn/Ferry International. The Annual Meeting will be held on September 28, 2011 at 8:00 a.m. Pacific time at the Hyatt Regency Century Plaza Hotel in Century City located at 2025 Avenue of the Stars, Los Angeles, California 90067.

At the Annual Meeting we will vote on the items of business discussed in the attached notice and provide a report on our business operations.

We are delighted that you have chosen to invest in Korn/Ferry International and hope that, whether or not you attend the Annual Meeting, you will vote your shares as soon as possible. You may submit a proxy by mail by completing, signing and dating the enclosed proxy card and returning it in the postage prepaid envelope provided. You may also submit a proxy by telephone or via the Internet by following the instructions attached to the proxy card. *Your vote is very important*, and voting by proxy will ensure your representation at the Annual Meeting. You may revoke your proxy in accordance with the procedures described in the Proxy Statement at any time prior to the time it is voted at the Annual Meeting. If you attend the Annual Meeting, you may vote in person even if you previously provided a proxy by mail, telephone or the Internet.

Sincerely,

Kenneth Whipple
Chair of the Board

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1900 Avenue of the Stars, Suite 2600

Los Angeles, California 90067

NOTICE OF 2011 ANNUAL MEETING

To Be Held On September 28, 2011

Important Notice Regarding the Availability of Proxy Materials for the

Stockholder Meeting to be Held on September 28, 2011.

The Proxy Statement and accompanying Annual Report to Stockholders are available at

http://ir.kornferry.com

To the Stockholders:

On September 28, 2011, Korn/Ferry International (the Company , we , its and our) will hold its 2011 Annual Meeting of Stockholders (the Annual Meeting) at the Hyatt Regency Century Plaza Hotel in Century City located at 2025 Avenue of the Stars, Los Angeles, California 90067. The Annual Meeting will begin at 8:00 a.m. Pacific time.

Only stockholders who owned our common stock as of the close of business on August 15, 2011 (the Record Date) can vote at the Annual Meeting or any adjournments or postponements thereof. The purposes of the Annual Meeting are to:

1. Elect the three directors named in the Proxy Statement accompanying this notice to serve on the Board of Directors (the Board) until the 2014 Annual Meeting of Stockholders;

2. Ratify the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the Company s 2012 fiscal year;

3. Vote on an advisory resolution regarding executive compensation;

4. Vote on an advisory resolution regarding the frequency of future advisory votes regarding executive compensation;

5. Approve an amendment and restatement of our Employee Stock Purchase Plan (the ESPP) to, among other things, increase the number of shares of common stock that may be purchased under the ESPP by 1.5 million shares; and

6. Transact any other business that may be properly presented at the Annual Meeting.

The Board unanimously recommends that you vote your shares FOR all of its nominees to the Board, FOR the ratification of the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the Company s 2012 fiscal year, FOR the Company s executive compensation, to conduct future advisory votes on executive compensation EVERY YEAR and FOR the amendment and restatement of the ESPP.

A quorum comprised of the holders of a majority of the outstanding shares of our common stock on the Record Date must be present or represented by proxy for the transaction of business at the Annual Meeting. Accordingly, it is important that your shares be represented. Whether or not you plan to attend the Annual Meeting, please vote promptly by mail, telephone or Internet. You may revoke your proxy at any time before it is voted by (1) sending a written revocation to the Corporate Secretary, (2) submitting a later-dated proxy, or (3) attending the Annual Meeting and voting in person.

This Proxy Statement is first being mailed to our stockholders on or about August 26, 2011. Please read the proxy materials carefully. Your vote is important and we appreciate your cooperation in considering and acting on the matters presented.

By Order of the Board of Directors,

Peter L. Dunn
Corporate Secretary and
General Counsel

August 26, 2011

Los Angeles, California

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QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

1. **Q: Why am I receiving this Proxy Statement and the other enclosed materials?**

A: The Board is providing these materials to you in connection with, and soliciting proxies for use at, the Annual Meeting, which will take place on September 28, 2011. As a stockholder on the Record Date, you are invited to attend the Annual Meeting and you are requested to vote on each of the proposals described in this Proxy Statement. You do not need to attend the Annual Meeting to vote your shares.

2. **Q: What information is included in this Proxy Statement?**

A: The information included in this Proxy Statement relates to, among other things, the proposals to be voted on at the Annual Meeting, the voting process and the compensation of the Company s directors and executive officers.

3. **Q: What proposals will be voted on at the Annual Meeting?**

A: (1) The election of the three directors named in this Proxy Statement to serve on the Board until the 2014 Annual Meeting of Stockholders;

(2) The ratification of the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the Company s 2012 fiscal year;

(3) A non-binding advisory resolution regarding executive compensation;

(4) A non-binding advisory resolution regarding the frequency of future non-binding stockholder votes regarding executive compensation; and

(5) The approval of an amendment and restatement of the ESPP to, among other things, increase the number of shares of common stock that may be purchased under the ESPP by 1.5 million shares.

4. **Q: How does the Board recommend I vote on each of the proposals?**

A: The Board unanimously recommends that you vote your shares FOR all of its nominees to the Board, FOR the ratification of the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the Company s 2012 fiscal year, FOR the Company s executive compensation, to conduct future advisory votes on executive compensation on EVERY YEAR and FOR the amendment and restatement of the ESPP.

5. **Q: Who is entitled to vote at the Annual Meeting?**

A: Holders of the Company s common stock as of August 15, 2011 are entitled to vote at the Annual Meeting.

6. **Q: How many votes is each share of common stock entitled to?**

A: Each share of Company common stock outstanding as of the Record Date is entitled to one vote. As of the Record Date, there were 47,720,074 shares of Company common stock issued and outstanding.

7. **Q: How do I vote?**

A: You can vote in person at the Annual Meeting or by proxy. There are three ways to vote by proxy:

(1) By Mail you can vote by mail by completing, signing and dating each proxy card you received and returning it in the postage prepaid envelope provided;

(2) By Telephone you can vote by telephone by calling (866) 540-5760 and following the instructions on the proxy card; or

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(3) By Internet you can vote over the Internet at www.proxyvoting.com/kfy by following the instructions on the proxy card.

8. Q: Can I revoke my proxy after I have submitted it?

A. Yes, once you have submitted your proxy, you have the right to revoke your proxy at any time before it is voted by:

(1) Sending a written revocation to the Corporate Secretary;

(2) Submitting a later dated proxy; or

(3) Attending the Annual Meeting and voting in person.

If your shares are held in the name of a broker, bank or other nominee, you will receive instructions from the holder of record on how to vote your shares. You must follow the instructions of the holder of record in order for your shares to be voted.

9. Q: Who will count the votes?

A: Representatives of BNY Mellon Shareholder Services, the Company s transfer agent, will count the votes and act as the inspector of election at the Annual Meeting.

10. Q: What does it mean if I receive more than one proxy card?

A: It means that your shares are registered differently and are in more than one account. Sign and return (or vote by telephone or over the Internet) all proxy cards to ensure that all your shares are voted.

11. Q: What shares are covered by the enclosed proxy card(s)?

A: The shares on the enclosed proxy card(s) represent all shares owned by you as of the Record Date (if you receive more than one proxy card, however, please see Question 10). These shares include shares (1) held directly in your name as the stockholder of record and (2) held for you as the beneficial owner through a broker, bank or other nominee. If you do not return your proxy card(s) or vote by telephone or over the Internet, your shares may not be voted (see Question 13 below). If you own shares that are held in our 401(k) plan, you will receive a proxy card for those shares also. While the trustees of the 401(k) plan will vote those shares, you are requested to return that proxy card to advise the trustees of your wishes with respect to the matters to be voted on.

12. Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner ?

A: You are a stockholder of record if your shares are registered directly in your name with the Company s transfer agent. In that case, these proxy materials have been sent directly to you by the Company. As the stockholder of record, you have the right to grant your voting proxy to the Company or to vote in person at the Annual Meeting. We have enclosed a proxy card for you to use.

You are a beneficial owner if your shares are held in a brokerage account, including an Individual Retirement Account, by a bank or other nominee, including our 401(k) plan. If you are considered to be the beneficial owner of shares held in street name , these proxy materials are being forwarded to you by your broker, bank or other nominee, who is considered, with respect to those shares, to be the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote your shares. However, because you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting. Your broker, bank or other nominee has enclosed a voting instruction card for you to use.

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13. Q: What if a beneficial owner does not provide the stockholder of record with voting instructions for a particular proposal?

A: If you are a beneficial owner and you do not provide the stockholder of record with voting instructions for a particular proposal, your shares may constitute broker non- votes with respect to that proposal. Broker non-votes are shares held by a broker, bank or other nominee with respect to which the holder of record does not have discretionary power to vote on a particular proposal and with respect to which instructions were never received from the beneficial owner. Shares that constitute broker non-votes with respect to a particular proposal will not be considered present and entitled to vote on that proposal at the Annual Meeting even though the same shares will be considered present for purposes of establishing a quorum and may be entitled to vote on other proposals. However, in certain circumstances, such as the appointment of the independent registered public accounting firm, the broker, bank or other nominee has discretionary authority and therefore is permitted to vote your shares even if the broker, bank or other nominee does not receive voting instructions from you. Due to recent changes to these rules, however, the election of directors at the Annual Meeting, the advisory votes on the Company s executive compensation, frequency of future advisory votes on the Company s executive compensation, and the approval of the ESPP will not be considered routine matters and as a result, your broker, bank or other nominee will not have discretion to vote on these matters at the Annual Meeting unless you provide applicable instructions to do so. Therefore, we strongly encourage you to follow the voting instructions on the materials you receive.

14. Q: What is the requirement to conduct business at the Annual Meeting?

A: In order to conduct business at the Annual Meeting, a quorum must be established. A quorum is a majority in voting power of the outstanding shares of common stock. A quorum must be present in person or represented by proxy at the Annual Meeting for business to be conducted. As discussed below, abstentions and broker non-votes will be counted for purposes of determining the presence of a quorum.

15. Q: How are votes counted?

A: Shares of common stock that reflect abstentions are treated as present and entitled to vote for the purposes of establishing a quorum and for purposes of determining the outcome of any matter submitted to the stockholders for a vote. However, abstentions do not constitute a vote for or against any matter and thus will be disregarded in the calculation of a plurality. Shares of common stock that reflect broker non-votes are treated as present and entitled to vote for the purposes of establishing a quorum. However, for the purposes of determining the outcome of any matter as to which the broker or nominee has indicated on the proxy that it does not have discretionary authority to vote, those shares will be treated as not present and not entitled to vote with respect to that matter, even though those shares are considered present and entitled to vote for the purposes of establishing a quorum and may be entitled to vote on other matters.

16. Q: What is the voting requirement to approve each proposal?

A: Directors are elected by a plurality. Therefore, the three nominees who receive the most votes will be elected. Abstentions and broker non-votes will not affect the outcome of the election. In respect of Proposals 2-3 and 5, to be approved, the proposal must receive the affirmative vote of a majority of the shares of common stock present or represented by proxy and entitled to vote on the proposal, whereas in the case of Proposal 4, the frequency that receives the affirmative vote of a majority of the shares of common stock present or represented by proxy and entitled to vote on the proposal will constitute the advisory recommendation of the Company s stockholders. In determining the outcome of Proposals 2-5, abstentions have the effect of a negative vote, but broker non-votes will not affect the outcome.

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17. Q: What happens if additional matters (other than the proposals described in this Proxy Statement) are presented at the Annual Meeting?

A: The Board is not aware of any additional matters to be presented for a vote at the Annual Meeting; however, if any additional matters are properly presented at the Annual Meeting, your proxy, whether submitted by mail, telephone or over the Internet, gives Gary D. Burnison and Michael A. DiGregorio authority to vote on those matters in their discretion.

18. Q: Who will bear the cost of the proxy solicitation?

A: The entire cost of the proxy solicitation will be borne by the Company. We hired D.F. King & Co., Inc. to assist in the distribution of proxy materials and solicitation of votes for approximately $10,000 plus reimbursement of any out of pocket expenses. Upon request, we will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to beneficial owners.

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PROPOSAL NO. 1 ELECTION OF DIRECTORS

The Board is divided into three classes, with one class elected at each annual meeting of stockholders. Directors of each class are elected to serve for three year terms. At the Annual Meeting, we will elect the three directors named in this Proxy Statement and the Board for the coming year will be comprised of eight directors. The directors elected at the Annual Meeting will serve as Class 2014 Directors for a term of three years. The nominees for election at the Annual Meeting to serve as Class 2014 Directors are Messrs. Gerhard Schulmeyer and Harry L. You and Ms. Debra J. Perry. Detailed biographical information regarding each of these nominees, as well as the other members of the Board whose service will continue beyond the Annual Meeting, is provided under the heading Board of Directors. We do not expect any of the nominees to become unavailable to stand for election, but should this happen the Board will designate a substitute for each unavailable nominee. Proxies voting for any unavailable nominee will be cast for that nominee s substitute. Each of the nominees has consented to be named as a nominee in this Proxy Statement.

Required Vote

Directors are elected by a plurality. Therefore, the three nominees who receive the highest number of votes will be elected as directors.

Recommendation of the Board

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

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PROPOSAL NO. 2 RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP

AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has approved the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for fiscal 2012. Ernst & Young LLP has served as the Company s independent registered public accounting firm since March 2002. Ernst & Young LLP has unrestricted access to the Audit Committee to discuss audit findings and other financial matters. Neither the Company s certificate of incorporation nor its bylaws requires that the stockholders ratify the selection of Ernst & Young LLP as the Company s independent registered public accounting firm. However, we are requesting ratification because we believe it is a matter of good corporate practice. If the Company s stockholders do not ratify the selection, the Audit Committee will reconsider whether or not to retain Ernst & Young LLP, but may, nonetheless, retain Ernst & Young LLP as the Company s independent registered public accounting firm. Even if the selection is ratified, the Audit Committee in their discretion may change the appointment at any time if they determine that such change would be in the best interests of the Company and its stockholders. Representatives of Ernst & Young LLP will attend the Annual Meeting to answer appropriate questions and may also make a statement if they so desire.

Required Vote

Ratification of the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm requires the affirmative vote of a majority of those shares present, either in person or by proxy, and entitled to vote at the Annual Meeting.

Recommendation of the Board

The Board unanimously recommends that you vote FOR the ratification of the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for fiscal 2012.

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PROPOSAL NO. 3 ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION

In accordance with Securities Exchange Act of 1934, as amended (the Exchange Act), and more specifically, Section 14A of the Exchange Act which was added under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), we are asking stockholders to approve an advisory resolution on the Company s executive compensation as reported in this Proxy Statement. Our executive compensation program is designed to support the Company s long-term success. As described below in the Compensation Discussion and Analysis section of this Proxy Statement, the Compensation and Personnel Committee has structured our executive compensation program to achieve the following key objectives:

- provide compensation packages to our executives that are competitive with our peer companies;
- take individual and corporate performance into account in structuring the Company s annual cash incentive and long-term incentive plans, so that the plans incentivize increases in stockholder value; and
- align the interests of management with those of our stockholders through direct management ownership of Company common stock.

We urge stockholders to read the Compensation Discussion and Analysis below, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and related compensation tables and narrative below which provide detailed information on the compensation of our named executive officers. The Compensation and Personnel Committee and the Board believe that the policies and procedures articulated in the Compensation Discussion and Analysis are effective in achieving our goals and that the compensation of our named executive officers reported in this Proxy Statement has supported and contributed to the Company s success.

We are asking stockholders to approve the following advisory resolution at the 2011 Annual Meeting of Stockholders:

RESOLVED, that the stockholders of Korn/Ferry International (the Company) approve, on an advisory basis, the compensation of the Company s named executive officers set forth in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables and narrative in the Proxy Statement for the Company s 2011 Annual Meeting of Stockholders.

This advisory resolution, commonly referred to as a say-on-pay resolution, is non-binding on the Board. Although non-binding, the Board and the Compensation and Personnel Committee will carefully review and consider the voting results when evaluating our executive compensation program.

Recommendation of the Board

The Board unanimously recommends that you vote FOR the Company s executive compensation.

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PROPOSAL NO. 4 ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES

ON EXECUTIVE COMPENSATION

We will provide an advisory vote on executive compensation at least once every three years. Pursuant to recently adopted Section 14A of the Exchange Act, in this Proposal 4 we are asking stockholders to vote on whether future advisory votes on executive compensation should occur every year, every two years or every three years.

After careful consideration, the Board recommends that future advisory votes on executive compensation occur every year. An annual advisory vote on executive compensation will allow our stockholders to provide us with their direct input on our compensation philosophy, policies and practices as disclosed in the proxy statement every year and will be most useful to the Board and the Compensation and Personnel Committee. Accordingly, the Board recommends that you vote to conduct future advisory votes on executive compensation every year.

Stockholders will be able to specify one of four choices for this proposal on the proxy card: three years, two years, one year or abstain. Stockholders are not voting to approve or disapprove the Board s recommendation. This advisory vote on the frequency of future advisory votes on executive compensation is non-binding on the Board. Notwithstanding the Board s recommendation and the outcome of the stockholder vote, the Board may in the future decide to conduct advisory votes on executive compensation on a more or less frequent basis and may vary its practice based on factors such as discussions with stockholders and the adoption of material changes to compensation programs.

Recommendation of the Board

The Board unanimously recommends that you vote to conduct future advisory votes on executive compensation EVERY YEAR.

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PROPOSAL NO. 5 APPROVAL OF AMENDED AND RESTATED EMPLOYEE STOCK PURCHASE PLAN

On June 3, 2003, the Board adopted the 2003 Employee Stock Purchase Plan (the ESPP), and the Company s stockholders subsequently approved the ESPP on September 10, 2003.

On August 15, 2011, the Board approved, subject to stockholder approval, the Amended and Restated Employee Stock Purchase Plan (the A&R ESPP) to increase the number of shares of common stock that may be purchased under the A&R ESPP by 1.5 million shares for a total of 3 million shares authorized under the A&R ESPP. Other than the increase in the number of shares authorized for issuance, and certain administrative changes, the ESPP and the A&R ESPP are identical.

As of August 15, 2011, 121,346 shares of common stock remained available for issuance under the ESPP. The proposed increase in the number of shares authorized for issuance under the A&R ESPP represents approximately 3% of the Company s outstanding common stock as of the Record Date.

Reasons for the Proposed Amendment

The Board approved the A&R ESPP so that the Company can continue to grant its employees the ability to purchase shares thereunder at levels determined appropriate by the Board. The A&R ESPP helps to attract and retain employees because it provides eligible employees with the opportunity to become Company stockholders at favorable prices and participate in the Company s success, aligning the interests of participating employees with those of stockholders.

Summary of the A&R ESPP

The principal provisions of the A&R ESPP are summarized below. This summary is not a complete description of all of the A&R ESPP s provisions, and is qualified in its entirety by reference to the complete text of the A&R ESPP attached to this Proxy Statement as Appendix A. Capitalized terms not otherwise defined in this summary have the meaning set forth in the A&R ESPP.

Purpose

The purpose of the A&R ESPP is to assist eligible employees in acquiring a stock ownership interest in the Company, at favorable prices and upon favorable terms, pursuant to a plan which is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986, as amended (Internal Revenue Code).

Administration

The A&R ESPP will be administered by the Board or a committee consisting of at least two members of the Board. The committee is authorized to decide questions of eligibility and to make rules and regulations for the administration and interpretation of the A&R ESPP. All determinations of the committee with respect to the A&R ESPP are final.

Eligibility

All employees who work 20 hours or more per week and who have been continuously employed by the Company or a participating subsidiary for at least six months are eligible to participate in the A&R ESPP. However, any employee who would own more than 5% of the voting power of the Company s stock immediately after a grant under the A&R ESPP is not eligible to participate and no participant may purchase more than $25,000 of the Company s stock in any one calendar year.

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Shares Available under the A&R ESPP

The maximum number of shares of the Company s common stock that may be purchased under the A&R ESPP is 3 million shares. Those shares of common stock may be either the Company s authorized but unissued common stock or any of its shares of common stock held as treasury shares. The maximum number of shares of the Company s common stock that any one individual may acquire in any offering period is 12,500. The Company may repurchase shares of common stock in the market in an amount equal to or less than the shares issued pursuant to the A&R ESPP, but is not required to do so. The maximum number of shares issuable under the A&R ESPP will be subject to adjustment for any dividend, stock split or other relevant change in the Company s capitalization. On August 15, 2011, the closing price on the New York Stock Exchange of a share of the Company s common stock was $16.48.

Operation of the A&R ESPP

The A&R ESPP operates in successive offering periods. Offering periods are typically six months in duration and, unless otherwise specified by the committee, will commence each January 1 and July 1, and end the following June 30 or December 31, respectively. Each employee who is eligible to participate in the A&R ESPP must file an election to have a portion of his or her compensation contributed to the A&R ESPP on an after-tax basis during each offering period in which he or she participates. On the first day of each offering period, each participant is deemed to have been granted an option to acquire shares of common stock of the Company. The option exercise price for each share is 85% of the fair market value of a share of common stock on the last day of the offering period. At the end of the offering period, each participant s option is automatically exercised and the maximum possible number of whole shares of common stock are purchased using the amounts credited to the participant s account to pay the exercise price of the option.

A&R ESPP Amendment and Termination

The Board may amend or terminate the A&R ESPP at any time. A&R ESPP amendments are not subject to stockholder approval unless required by law, the Internal Revenue Code or as deemed necessary or advisable by the Board. The A&R ESPP will automatically terminate ten years after the date of stockholder approval or, if earlier, when no shares remain available under the A&R ESPP or if and when the Board elects to terminate the A&R ESPP. The A&R ESPP and any outstanding options to purchase shares will terminate upon certain corporate events (such as dissolution of the Company or a merger in which the Company does not survive) and A&R ESPP contributions that have not been used to purchase stock will be refunded to participants.

New A&R ESPP Benefits

The actual number of shares that may be purchased by any individual under the A&R ESPP is not determinable in advance because the number is determined, in part, on the participant elections, contributed amount and the purchase price.

U.S. Federal Income Tax Consequences

The following is a brief description of the federal income tax treatment that will generally apply to the grant and exercise of rights under the A&R ESPP, based on federal income tax laws currently in effect. The exact federal income tax treatment of options will depend on the specific nature of any such option and the individual tax attributes of the participant. This summary is not intended to be a complete analysis and discussion of the federal income tax treatment of the A&R ESPP, and does not discuss gift or estate taxes or the income tax laws of any municipality, state or foreign country.

The A&R ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code and, as a result, employees who participate in the A&R ESPP will be afforded favorable tax treatment subject to meeting certain requirements specified by the Internal Revenue Code. In general, there

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are no federal income tax consequences to a participant upon the grant of the option to purchase shares under the A&R ESPP at the beginning of an offering period or upon its exercise at the end of an offering period. Upon the disposition of shares of common stock acquired upon exercise of an option, the participant will generally be subject to tax and the nature and amount of the tax will depend on whether the employee has satisfied the statutory holding period.

If the employee holds shares acquired under the A&R ESPP for at least two years from the grant date of his or her option and at least one year from the date he or she acquired the shares, any gain on the sale of the shares will be taxed as ordinary income to the extent of the lesser of (i) the amount by which the fair market value of the shares on the grant date (i.e., the first day of the offering period) exceeded the exercise price for the option, or (ii) the amount by which the fair market value of the shares on the date of sale exceeds the exercise price of the option. Any additional gain or loss will be taxed as long-term capital gain or loss.

If the participant sells or otherwise disposes of the shares before the expiration of the statutory holding period, then in the year of such disqualifying disposition, the participant will be required to recognize ordinary income equal to the difference between the fair market value of the shares on the date of the exercise of the option and the exercise price of the option. Any additional gain or loss will be short-term or long-term gain or loss depending on the length of time the employee has held the shares.

The Company is not entitled to any deduction with respect to the difference between the fair market value of the common stock and the option exercise price if the participant satisfies the statutory holding period described above. If shares are sold before the statutory holding period is satisfied, the Company receives a tax deduction for any ordinary income recognized by the participant in such event.

Required Vote

Approval of the A&R ESPP requires the affirmative vote of a majority of those shares present, either in person or by proxy, and entitled to vote at the Annual Meeting.

Recommendation of the Board

The Board unanimously recommends that you vote FOR the approval of the Company s A&R ESPP.

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THE BOARD OF DIRECTORS

The Board is divided into three classes: (1) Class 2012 Directors, who will serve until the 2012 Annual Meeting of Stockholders; (2) Class 2013 Directors, who will serve until the 2013 Annual Meeting of Stockholders; and (3) Class 2014 Directors, who will serve until the 2014 Annual Meeting of Stockholders. Following the Annual Meeting there will be three Class 2012 Directors, two Class 2013 Directors, and three Class 2014 Directors.

Director Qualifications

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

The Nominating and Corporate Governance Committee is responsible for developing and recommending Board membership criteria to the full Board for approval. The criteria, which are set forth in the Company s Corporate Governance Guidelines, include a reputation for integrity, honesty and adherence to high ethical standards, strong management experience, current knowledge and contact in the Company s industry or other industries relevant to the Company s business, and the ability to commit sufficient time and attention to Board and committee activities. The Nominating and Corporate Governance Committee seeks a variety of occupational, educational, and personal backgrounds on the Board in order to obtain a range of viewpoints and perspectives and to enhance the diversity of the Board in such areas as professional experience, geography, race, gender, ethnicity and age. While the Nominating and Corporate Governance Committee does not have a formal policy with respect to diversity, the Nominating and Corporate Governance Committee does believe it is essential that Board members represent diverse viewpoints and backgrounds. The Nominating and Corporate Governance Committee periodically evaluates the composition of the Board to assess the skills and experience that are currently represented on the Board, as well as the skills and experience that the Board will find valuable in the future, given the Company s current situation and strategic plans. This periodic assessment enables the Board to update the skills and experience it seeks in the Board as a whole, and in individual directors, as the Company s needs evolve and change over time and to assess effectiveness of efforts at pursuing diversity. In identifying director candidates from time to time, the Nominating and Corporate Governance Committee may establish specific skills and experience that it believes the Company should seek in order to constitute a balanced and effective board.

In evaluating director candidates, and considering incumbent directors for renomination to the Board, the Nominating and Corporate Governance Committee takes into account a variety of factors. These include each nominee s independence, financial literacy, personal and professional accomplishments, and experience, each in light of the composition of the Board as a whole and the needs of the Company in general, and for incumbent directors, past performance on the Board. The table below sets forth information about the three nominees for Class 2014 Directors and the directors whose terms of office continue beyond the Annual Meeting, including each such person s specific experience, qualifications, attributes and skills that led our Board to conclude that such nominee/director should serve on our Board. The process undertaken by the Nominating and Corporate Governance Committee in recommending qualified director candidates is described below under Corporate Governance Board Committees Nominating and Corporate Governance Committee.

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Nominees for Class 2014 Directors

The following table sets forth certain information regarding the nominees for Class 2014 Directors.

Name	Age	Business Experience	Director Since
Gerhard Schulmeyer	72	Mr. Schulmeyer is owner of Gerhard LLC, a management consulting company. From January 2002 to July 2006, Mr. Schulmeyer was Professor of Practice at the MIT Sloan School of Management. Mr. Schulmeyer also served as President and Chief Executive Officer of Siemens Corporation, the holding company for the U.S. business of Siemens AG (Munich, Germany), a world leader in electrical engineering and electronics in the information and communications, automation and control, power, transportation, medical and lighting fields, from 1999 until 2001. From 1994 through 1998, Mr. Schulmeyer was President and Chief Executive Officer of Siemens Nixdorf, Munich/Paderborn. Mr. Schulmeyer previously served on the board of directors of Alcan Inc. from July 1996 to October 2007, Zurich Financial Services from July 1998 to April 2007, and Ingram Micro, Inc. from July 1999 to June 2010. Mr. Schulmeyer s senior executive management positions in large multi-national corporations, and his international operational experience, business acumen, academic credentials, and board and committee experience allow him to bring valuable insight and knowledge to the Board.	1999
Harry L. You	52	Mr. You has served as Executive Vice President, Office of the Chairman, of EMC Corporation, an information infrastructure solutions company, since February 2008. Mr. You was the Chief Executive Officer of BearingPoint, Inc., a management and technology consulting company, from March 2005 until November 2007. Mr. You was the Chief Financial Officer and Executive Vice President of Oracle Corporation from July 2004 through March 2005. From July 2001 through July 2004, Mr. You was the Chief Financial Officer of Accenture Ltd. Prior to that, he was a managing director with Morgan Stanley, a subsidiary of Morgan Stanley & Co., Inc., and Senior Vice President of the General Industrial Group at Lehman Brothers Inc. Mr. You s executive management, financial accounting expertise and technology sector experience allow him to bring valuable insight and knowledge to the Board.	2004
Debra J. Perry	60	Ms. Perry currently serves on the boards of directors of two mutual funds, BofA Funds Series Trust (elected June 2011) and the Sanford C. Bernstein Fund, Inc. (elected July 2011). From 2004 to 2008, Ms. Perry served on the board of directors of MBIA Inc. and from 2004 to 2011 she was a member of the board of directors and chair of the human resources and compensation committee of CNO Financial Group, Inc. (formerly Conseco). She worked at Moody s Corporation from 1992 to 2004. From 2001 to 2004, Ms. Perry was a senior managing director in the Global Ratings and Research Unit of Moody s Investors Service, Inc. where she oversaw the Americas Corporate Finance, Leverage Finance and Public Finance departments. From 1999 to 2001, Ms. Perry served as Chief Administrative Officer and Chief Credit Officer, and from 1996 to	2008

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Name	Age	Business Experience	Director Since
		1999, she was a group managing director for the Finance, Securities and Insurance Rating Groups of Moody s Corporation. Ms. Perry has also been a managing member of Perry Consulting LLC, an advisory firm specializing in credit risk management and governance within the financial industry since 2008. Ms. Perry s executive management, corporate governance, finance and analytical expertise and her board and committee experiences allow her to bring valuable insight and knowledge to the Board.	

Class 2012 Directors

The following table sets forth certain information regarding the Class 2012 Directors.

Name	Age	Business Experience	Director Since
Kenneth Whipple	76	Mr. Whipple is currently non-executive Chair of the Board of the Company. He recently retired as Chairman and a director of CMS Energy Corporation, which through its subsidiaries operates an energy company in Michigan. Mr. Whipple served as Chairman of CMS Energy Corporation from May 2002 until his retirement in May 2010 and as a director from 1993 until his retirement in May 2010. Mr. Whipple also previously served as Chief Executive Officer of CMS Energy Corporation from May 2002 through September 2004. Mr. Whipple served as Executive Vice President of Ford Motor Company from 1988 to 1999. He served as Chairman and Chief Executive Officer of Ford Motor Credit Company from 1997 to 1999. He previously served as Chairman and Chief Executive Officer of Ford of Europe, Inc. from 1986 to 1988. He is a member of the Advisory Board of Miller Buckfire & Co., LLC. Mr. Whipple s chairman, executive management, and board experiences allow him to bring valuable insight and knowledge to the Board.	2004
Denise Kingsmill	64	Baroness Kingsmill was appointed to Great Britain s House of Lords in 2006. She was invested as Commander, Order of the British Empire (C.B.E) in 2000, and currently sits on the House of Lords Economic Affairs Committee. From 1997 to 2003, Baroness Kingsmill was Deputy Chairman of the Competition Commission and also chaired the United Kingdom s Department of Trade and Industry s accounting for people task force. She also served as a senior advisor to the Royal Bank of Scotland from 2005 until 2008. In February 2011, Baroness Kingsmill was elected to the board of directors of Betfair Group, PLC, an online sports betting provider. She also serves on the Audit Committee of Betfair Group PLC. In May 2011, Baroness Kingsmill also joined the supervisory board of E.ON AG, an investor owned public utility company. In addition, Baroness Kingsmill is a member of the Microsoft European Policy Board, a member of the PriceWaterhouseCoopers Advisory Board, an independent non-executive director of International Airline Group (formed by the merger of British Airways PLC and Iberia) since November 2004 and a non-executive director for APR Energy	2009

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Name	Age	Business Experience	Director Since
		(formerly Horizon Acquisition Company PLC). She also previously served as a senior advisor and member of the Board of Trustees for Cambridge University Business School. Baroness Kingsmill s advisory, director and international market experience allow her to bring valuable insight and knowledge to the Board.	
George T. Shaheen	67	Mr. Shaheen was Chairman and Chief Executive Officer of Entity Labs, a privately held technology solution company from 2006 through 2009. He was Chief Executive Officer of Siebel Systems, Inc., a CRM software company, which was purchased by Oracle in January 2006, from April 2005 to January 2006. He was Chief Executive Officer and Global Managing Partner of Andersen Consulting, which later became Accenture, from 1989 to 1999. He then became CEO and Chairman of the Board of Webvan Group, Inc. from 1999 to 2001. Mr. Shaheen serves on the boards of NetApp, PRA International, 24/7 Customer, Voxify and Univita Health. He is a member of the Advisory Board of the Marcus & Millichap Company, and the Strategic Advisory Board of Genstar Capital. From January 2007 until April 2011, Mr. Shaheen served on the board of directors of newScale. He has served as IT Governor of the World Economic Forum, and was a member of the Board of Advisors for the Northwestern University Kellogg Graduate School of Management. He has also served on the Board of Trustees of Bradley University. Mr. Shaheen received a BS degree and a MBA from Bradley University. Mr. Shaheen s executive management, consulting, board and advisory experiences allow him to bring valuable insight and knowledge to the Board.	2009

Class 2013 Directors

The following table sets forth certain information regarding the Class 2013 Directors.

Name	Age	Business Experience	Director Since
Edward D. Miller	70	Mr. Miller is the former President and Chief Executive Officer of AXA Financial, Inc., where he held such positions from August 1997 through May 2001. During that time, he also served as Chairman and Chief Executive Officer of AXA Financial, Inc. s principal subsidiary, AXA Client Solutions, and as a director of AXA Financial, Equitable Life, Alliance Capital and Donaldson, Lufkin & Jenrette. He also served as a member of the supervisory board and as a senior advisor to the Chief Executive of AXA Group from June 2001 through April 2003. Prior to joining AXA Financial, Mr. Miller enjoyed a successful 35-year career in banking. Mr. Miller began his banking career at Manufacturers Hanover Trust, where he garnered increasing responsibility and recognition. In 1988, he was named Vice Chairman, a position he held until 1991, when the company merged with Chemical Bank. Three years later, he was elected President. In 1996, upon the merger with Chase Manhattan, he became Senior Vice Chairman. While at Chase, Mr. Miller directed two of the largest financial services combinations in history at the time the successful mergers of The Chase Manhattan Corporation	2002

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Name	Age	Business Experience	Director Since
		and Chemical Bank and of Chemical Bank and Manufacturers Hanover Trust. Currently, in addition to his service as a director of the Company, he is also a director and member of the compensation committee of American Express Company and a member of the Advisory Boards of CAI and Hudson Clean Energy and previously served as a director of KeySpan Corporation and TOPPS Company, Incorporated. Mr. Miller s executive management, board and committee chair experience allow him to bring valuable insight and specific knowledge to the Board.	
Gary D. Burnison	50	Mr. Burnison has served as President and Chief Executive Officer of the Company since July 2007. He was the Executive Vice President and Chief Financial Officer of the Company from March 2002 until June 30, 2007. He also served as Chief Operating Officer of the Company from November 2003 until June 30, 2007. From 1999 to 2001, Mr. Burnison was Principal and Chief Financial Officer of Guidance Solutions and from 1995 to 1999 he served as an executive officer and member of the board of directors of Jefferies and Company, Inc., the principal operating subsidiary of Jefferies Group, Inc. Prior to that, Mr. Burnison was a partner at KPMG Peat Marwick. Mr. Burnison s current service as the President and Chief Executive Officer and formerly as Chief Operating Officer, brings to the Board in-depth knowledge of the Company s business, operations, employees and strategic opportunities.	2007

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CORPORATE GOVERNANCE

The Board held five meetings during fiscal 2011. Each of the directors attended at least 75% of the Board meetings and the meetings of committees of which they were members in fiscal 2011. Directors are expected to attend each annual meeting of stockholders. All directors attended the 2010 Annual Meeting of Stockholders in person.

Director Independence

The Board has determined that as of the date hereof a majority of the Board is independent under the independence standards of the New York Stock Exchange (NYSE). The Board has determined that the following directors and director-nominees are independent under the independence standards of the NYSE: Kenneth Whipple, Edward Miller, Debra J. Perry, Gerhard Schulmeyer, Harry L. You, Denise Kingsmill and George T. Shaheen. For a director to be independent , the Board must affirmatively determine that such director does not have any material relationship with the Company. To assist the Board in its determination, the Board reviews director independence in light of the categorical standards set forth in the NYSE s Listed Company Manual. Under these standards, a director cannot be deemed independent if, among other things:

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

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

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

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

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

The independent directors of the Board meet regularly in executive sessions outside the presence of management. Mr. Kenneth Whipple presides at all executive sessions of the independent directors.

Board Leadership Structure

The Company s Corporate Governance Guidelines provide that the Board is free to select its Chair and CEO in the manner it considers to be in the best interests of the Company and that the role of Chair and CEO may be filled by a single individual or two different persons. This provides the Board with flexibility to decide what leadership structure is in the best interest of the Company at any point in time. Currently, the Board is led by an independent, non-executive Chair, Mr. Kenneth Whipple. Mr. Whipple was elected by the Board to serve as Chair until the Company s 2013 annual stockholder meeting. The Board has determined that having an independent director serve as Chair of the Board is in the best interests of the Company at this time as it allows the Chair to focus on the effectiveness and independence of the Board while the CEO focuses on executing the Company s strategy and managing the Company s business. In the future, the Board may determine that it is in the bests interests of the Company to combine the role of Chair and CEO.

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Board s Oversight of Enterprise Risk and Risk Management

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

Assessment of Risk Related to Compensation Programs. During fiscal 2011, the Company completed an inventory of its executive and non-executive compensation programs globally, with particular emphasis on incentive compensation plans and programs. Based on this inventory, the Company evaluated the primary components of its compensation plans and practices to identify whether those components, either alone or in combination, properly balanced compensation opportunities and risk. As a result of this evaluation, the Company concluded that risks arising from the Company s compensation policies and practices are not reasonably likely to have a material adverse impact on the Company.

Board Committees

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

Name	Audit	Compensation and Personnel	Nominating and Corporate Governance
Denise Kingsmill		X	
Edward D. Miller		X	X (Chair)
Gerhard Schulmeyer		X (Chair)	X
George T. Shaheen	X		X
Debra J. Perry	X (Chair)		
Harry L. You	X		

Audit Committee. Among other things, the Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm, reviews the independent registered public accounting firm s qualifications and independence, reviews the plans and results of the audit engagement with the independent registered public accounting firm, approves professional services provided by the independent registered public accounting firm, approves financial reporting principles and policies, considers the range of audit and non-audit fees, reviews the adequacy of the Company s internal accounting controls and works to ensure the integrity of financial information supplied to stockholders. The Audit Committee is also available to receive reports, suggestions, questions and recommendations from the Company s independent registered public accounting firm, the Chief Financial Officer and the General Counsel. It also confers with these parties in order to help assure the sufficiency and effectiveness of the programs being followed by corporate officers in the area of compliance with legal and regulatory requirements, business conduct and conflicts of interest. The Audit Committee is composed entirely of non-employee directors whom the Board has determined are independent directors under the applicable listing standards of the NYSE and the applicable rules of the Securities and Exchange Commission (SEC). The Board, in its business judgment, has determined that Messrs. You and Shaheen qualify as audit committee financial experts as that term is defined in Item 407(d)(5) of Regulation S-K under the Exchange Act, and that Ms. Perry is financially literate, under the NYSE rules. The Audit Committee met fifteen times in fiscal 2011. The Audit Committee operates pursuant to a written charter adopted by the Board, which is available on the Company s website at *www.kornferry.com* in the Corporate Governance section of the About Us webpage and in print to any stockholder that requests it. Any such request should be addressed to Korn/Ferry International, 1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary.

Compensation and Personnel Committee. Among other things, the Compensation and Personnel Committee approves and oversees the Company s compensation programs, including incentive and stock option programs provided to members of the Company s senior management group, including the Company s Chief Executive Officer, Chief Financial Officer and two other most highly compensated executive officers, reviews the compensation of directors for service on the Board and its committees, and approves or recommends to the Board, as required, specific compensation actions, including salary adjustments, annual cash incentives, stock option grants and employment contracts for the Chief Executive Officer and other members of the Company s senior management group. The Compensation and Personnel Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee consisting solely of members of the Compensation and Personnel Committee who are non-employee directors and outside directors. The Board has determined that all members of the Compensation and Personnel Committee are independent directors under the applicable listing standards of the NYSE. The Compensation and Personnel Committee met six times during fiscal 2011. The Compensation and Personnel Committee operates pursuant to a written charter adopted by the Board, which is available on the Company s website at *www.kornferry.com* in the Corporate Governance section of the About Us webpage and in print to any stockholder that requests it. Any such request should be addressed to Korn/Ferry International, 1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary.

Nominating and Corporate Governance Committee. Among other things, the Nominating and Corporate Governance Committee recommends criteria to the Board for the selection of nominees to the Board, evaluates all proposed nominees, recommends nominees to the Board to fill vacancies on the Board, and, prior to each annual meeting of stockholders, recommends to the Board a slate of nominees for election to the Board by the stockholders at the annual meeting. The Nominating and Corporate Governance Committee also seeks possible nominees for the Board and otherwise serves to aid in attracting qualified nominees to be elected to the Board. In evaluating nominations, the Nominating and Corporate Governance Committee considers a variety of criteria, including business experience and skills, independence, judgment, integrity, the ability to commit sufficient time and attention to Board activities and the absence of potential conflicts with the Company s interests. While the Nominating and Corporate Governance Committee does not have a formal policy with respect to diversity, it also takes into account the diversity of the Board when considering director nominees. The Board has determined that all members of the Nominating and Corporate Governance Committee are independent directors under the applicable listing standards of the NYSE. The Nominating and Corporate Governance Committee met five times in fiscal 2011. The Nominating and Corporate Governance Committee operates pursuant to a written charter adopted by the Board, which is available on the Company s website at *www.kornferry.com* in the Corporate Governance section of the About Us webpage and in print to any stockholder that requests it. Any such request should be addressed to Korn/Ferry International, 1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary. Stockholders may recommend director nominees by mailing submissions

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to Korn/Ferry International, 1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary. Any stockholder recommendations for director are evaluated in the same manner as all other candidates considered by the Nominating and Corporate Governance Committee.

Code of Business Conduct and Ethics

The Board has adopted a Code of Business Conduct and Ethics that is applicable to all directors, employees and officers (including the Company s Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer). Among other things, the Code of Business Conduct and Ethics requires directors, employees and officers to maintain the confidentiality of all information entrusted to them (except when disclosure is authorized or legally mandated); to deal fairly with the Company s clients, service providers, suppliers, competitors and employees; to protect Company assets; and for those who have a role in the preparation and/or review of information included in the Company s public filings, to report such information accurately and honestly. It also prohibits directors, employees and officers from using or attempting to use their position at the Company to obtain an improper personal benefit. The Code of Business Conduct and Ethics is available on the Company s website at *www.kornferry.com* in the Corporate Governance section of the About Us webpage and in print to any stockholder that requests it. Any such request should be addressed to Korn/Ferry International, 1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary. We intend to post on the Company s website amendments, if any, to the Code of Business Conduct and Ethics, as well as any waivers thereunder, with respect to our officers as required to be disclosed by the SEC rules.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines, which among other things, impose limits on the number of directorships each member of the Board may hold (the Chief Executive Officer of the Company may not sit on more than two boards of directors of public companies (other than the Company), while all other directors may not sit on more than six boards of directors of public companies (other than the Company)); specifies the criteria to be considered for a director candidates; and requires non-management directors to meet periodically without management. Additionally, the guidelines require that, when a director s principal occupation or business association changes substantially during his or her tenure as a director, that director is required to provide written notice of such change to the chair of the Nominating and Corporate Governance Committee, and agree to resign from the Board if the Board determines to accept such resignation. The Nominating and Corporate Governance Committee must then review and assess the circumstances surrounding such change, and recommend to the Board any appropriate action to be taken. The Corporate Governance Guidelines are available on the Company s website at *www.kornferry.com* in the Corporate Governance section of the About Us webpage and in print to any stockholder that requests it. Any such request should be addressed to Korn/Ferry International, 1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary.

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COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

The Company s executive compensation program is designed to align the interests of our named executive officers with the interests of our stockholders by rewarding them:

- *for effectively building stockholder value; and*
- *for the achievement of both long-term and short-term strategic and operational goals.*

The compensation for our named executive officers is comprised of the following:

Component	Description
Base Salary	Fixed cash income sufficient for basic retention and recruiting purposes.
Annual Cash Incentives	Annual cash incentive reward based upon Company financial performance including fee revenue, diluted earnings per share (EPS) and strategic objectives.
Long-Term Incentives **(Equity Awards)**	Equity grants that align executives with overall company performance through a combination of: performance-based vesting; and time-based vesting.
Other Compensation Elements	Generally available employee benefits, limited perquisites, participation in the Company s nonqualified deferred compensation plan, and, in the case of the Chief Executive Officer and Chief Financial Officer, severance benefits.

Our named executive officers are:

- Gary Burnison, President and Chief Executive Officer.
- Michael DiGregorio, Executive Vice President and Chief Financial Officer.

Ana Dutra, Executive Vice President of Korn/Ferry and Chief Executive Officer of Leadership and Talent Consulting (LTC), the Company s comprehensive blend of talent management service offerings such as leadership development, enterprise learning, organization transformation, talent portfolio management and board effectiveness.

Byrne Mulrooney, Chief Executive Officer of Futurestep, the Company s outsourced and mid-level recruiting subsidiary.

Fiscal 2011: Solid Performance

Despite the continued uncertainty in the global economic environment, the Company significantly improved its financial and operating performance during fiscal 2011, as compared to fiscal 2010. While the Company benefited to some extent from better economic conditions, it also outperformed its peers on a relative basis. The Company s performance reflected the contributions of the named executive officers and, consistent with the Company s policy of tying cash and equity-based incentives to the performance of the Company, the awards to the named executive officers for fiscal 2011 reflect the Company s strong performance.

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During fiscal 2011, the Company achieved a number of significant financial and operational results including:

- ***Consistent Growth***. The Company generated eight consecutive quarters of fee revenue growth over the course of fiscal 2010 and fiscal 2011.

- ***Increased Fee Revenue***. The Company generated $744 million in fee revenue during fiscal 2011. This is a 30% increase from fee revenue for fiscal 2010.

- ***Increased Operating Income***. The Company s operating income for fiscal 2011 was $85.7 million, increasing by $88.5 million compared to fiscal 2010.

- ***Increased Net Income***. The Company s net income for fiscal 2011 was $58.9 million, improving more than 10 times year-over-year.

- ***Increased EPS.*** For fiscal 2011, the Company s EPS was $1.27, which represents over a 10 times increase compared to fiscal 2010.

- ***Increased Stockholder Value.*** On April 29, 2011, the closing price on the New York Stock Exchange of a share of the Company s common stock was $20.71, which represented an increase of approximately 28% compared to a closing price of $16.21 on April 30, 2010.

In addition to these fiscal 2011 results, the Company also made significant advancements and achieved significant accomplishments on its strategic objectives (some of these accomplishments are described below under Decisions and Actions Annual Cash Compensation). The strategic objectives are capsulated into four overall initiatives:

1. Drive an integrated, solutions-based go-to-market strategy that utilizes all three of our service lines to develop customer relationships and product offerings customized to fit specific client needs;

2. Deliver unparalleled client excellence;

3. Extend and elevate the Company s brand; and

4. Advance the Company as a premier career destination.

New Developments

What Changed	Description
Peer Group	For fiscal 2012, the Compensation and Personnel Committee (the Committee) reviewed and modified the peer group to a broader number of publicly traded companies that are comparably sized to the Company and are principally or in significant part involved in either professional staffing or consulting.

Clawback Policy	Added a clawback provision to fiscal 2011 cash bonuses paid to our CEO, CFO and Principal Accounting Officer. Adopted general clawback policy that will apply to all of the named executive officers with respect to incentive payments and performance-based equity awards made after July 12, 2011.
Stock Ownership Guidelines	The Nominating and Corporate Governance Committee adopted amended stock ownership guidelines that require (1) each named executive officer to own three times his/her annual salary in common stock and (2) each non-employee director to own three times his/her annual cash retainer in common stock.

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Executive Compensation Philosophy and Oversight

Philosophy

The Company is a premier global provider of talent management solutions and a premier provider of executive recruitment, leadership consulting services and middle management solutions. The Company is uniquely positioned to help its clients with their human capital needs by assisting to attract, deploy, develop and reward their talent. The Company s unique global positioning allows it to maintain enhanced brand visibility and to attract and retain high-caliber consultants. The Company provides its services to a broad range of clients through the expertise of more than 471 consultants located in 35 countries throughout the world. Accordingly, the Company s executive officers must have the skills and experience to manage and motivate an organization spread over a large number of countries with varying business and regulatory environments. The market for these talented individuals is competitive. The Company s compensation philosophy focuses on ensuring the right candidates can be attracted, retained and properly rewarded for their contributions.

The Committee is guided by the following principles in establishing and assessing compensation programs and policies for the named executive officers:

- Total compensation (base salary, annual cash incentive and long-term incentive payments) must be competitive with other major executive recruiting firms (and to some extent a broader group of human capital companies and similarly-sized publicly traded companies);

- Individual annual cash incentive and equity-based awards should be closely tied to the performance of the Company as a whole, as well as to the team and individual performance of the named executive officer; and

- The interests of senior management and the Company s stockholders should be aligned through direct ownership of Company common stock and by providing a meaningful portion of each named executive officer s total compensation in the form of equity-based incentives.

Oversight of Compensation Programs

The Committee has direct responsibility for determining the compensation of the named executive officers, having been delegated authority by the Board for the oversight of compensation for the Company s senior management and the Company s overall compensation programs, including the Second Amended and Restated 2008 Stock Incentive Plan (the 2008 Plan).

The Committee retains compensation consultants to assist it in assessing the competitiveness of the named executive officers compensation. Historically, the Committee had retained Towers Watson & Co. as its compensation consultant. In connection with the spin-off in 2010 of a portion of Towers Watson & Co. s compensation consulting division (now called Pay Governance LLC), the Committee considered and discussed alternative compensation consultants and determined to retain Frederic W. Cook & Co. as its compensation consultant. Pay Governance provided services to the Compensation and Personnel Committee through August 2010, which was the period during which the fiscal 2011 compensation decisions were made. Frederic W. Cook & Co, Inc. has provided services to the Compensation and Personnel Committee commencing in September 2010. No other fees were paid to these compensation consultants except as such fees related to their services to the Committee.

Use of a Peer Group

The Company does not set a relative percentile positioning for total compensation as a target for named executive officer pay levels. Rather, the Company reviews total compensation and the mix of the compensation components relative to the peer group as one of the factors in determining if compensation is adequate to attract and retain executive officers with the unique set of skills necessary to manage and motivate our global human capital management firm.

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Because a number of the Company s peer organizations are privately-held, precise information regarding executive officer compensation practices among the Company s competitor group is difficult to obtain. In addition, even when such data is available, meaningful differences in size, complexity and organizational structure among the Company s competitor group make direct comparisons of compensation practices problematic. In assessing the competitiveness of the Company s named executive officer compensation, the Committee relies on information obtained from the proxies of publicly-traded competitors, information derived from data obtained from other public sources with respect to competitor organizations, and the general knowledge of the Committee and its consultant with regard to the market for senior management positions.

During fiscal 2011, the Committee used the following companies as a peer group:

Heidrick & Struggles International, Inc.	SFN Group, Inc. (formerly Spherion)
True Blue, Inc.	Kforce Inc.
Robert Half International Inc.	Towers Watson & Co.
Kelly Services, Inc.	Hudson Highland Group
Manpower	

This peer group was primarily selected based upon criteria such as business lines, operating model, customer base, revenue, market capitalization and entities with which the Company competes for stockholder investment. Revenue and market capitalization data for this peer group (and for the fiscal 2012 peer group described below) is the following:

	Market capitalization (as of 8/5/11)	**Revenues***
Fiscal 2011 Peer Group Median	$630 million	$1.7 billion
Fiscal 2012 Peer Group Median	$669 million	$1 billion
Korn/Ferry	$855 million	$776 million

* Peer company revenues computed for 12 months ending as of the applicable company s most recent quarterly or annual report (as of August 5, 2011).

At the beginning of fiscal 2012, the Committee modified and expanded the peer group. The Committee believed that the comparative analysis process would be improved by expanding the number of companies used for such purposes and by removing two companies that no longer were comparable in size.

Manpower was removed due to its significantly larger total revenue and market capitalization and Hudson Highland Group was removed due to its significantly lower market capitalization. Eight companies were added to the peer group for fiscal 2012 (they are identified in the following chart with an asterisk) due to their comparable market capitalization and revenues. Although many of the new companies are not direct competitors, they have comparable business models or are in the broadly similar professional services industry. The Committee and Company believe the expanded group of professional services firms is more reflective of similar-sized companies in terms of market capitalization and revenue, and therefore provides a more meaningful comparison of stock performance and executive compensation data. This new peer group is set out below and is the same peer group used in the performance graph in the Company s Annual Report on Form 10-K for fiscal year 2011:

CBIZ, Inc*	Navigant Consulting, Inc.*
FTI Consulting, Inc.*	Resources Connection, Inc.*
Heidrick & Struggles International, Inc.	Robert Half International Inc.
Huron Consulting Group Inc.	SFN Group, Inc. (formerly Spherion)
ICF International, Inc.*	The Corporate Executive Board Company*
Insperity, Inc.*	The Dun & Bradstreet Corporation*
Kelly Services, Inc.	Towers Watson & Co.
Kforce Inc.	TrueBlue, Inc.

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While the Committee does not target a particular position relative to its peer group, in determining the salary, annual cash incentive and long-term incentive levels for each named executive officer, the Committee does consider the range of salary, annual cash incentive and long-term incentive levels that the peer group provides to similarly situated executives and intends that the levels provided to each named executive officer fall within that range. The salary, annual cash incentive and long-term incentive levels for fiscal 2011 fell within this range and are generally intended to be within the 25th to 75th percentile of the range.

Elements of Compensation

The Company s named executive officer compensation program consists of three main elements: (1) base salary, (2) annual cash incentives, and (3) long-term incentives. The Company also provides its named executive officers with other benefits, such as health insurance and retirement benefits, and some perquisites. The Company strives to align the mix and level of each compensation element in a manner consistent with attracting, deploying, developing and rewarding the best talent available to achieve its strategic objectives.

Base Salary

Base salary is intended to compensate named executive officers for services rendered during the fiscal year and to provide sufficient fixed cash income for retention and recruiting purposes. Named executive officer base salary levels are reviewed on an annual basis by the Committee. In addition to competitive data from the peer group, additional data is obtained from other sources with respect to non-public competitor organizations. The Committee also incorporates its perspective and the market knowledge of its compensation consultants related to senior management positions in assessing base salary levels. The data gathered regarding the peer group companies with respect to fiscal year 2011 compensation decisions was also reviewed and assessed by Pay Governance LLC. Further, the Committee takes into consideration individual performance of each named executive officer and, with respect to the named executive officers other than the Chief Executive Officer, input from the Chief Executive Officer.

Annual Cash Incentives

Annual cash incentives are intended to motivate and reward named executive officers for achieving performance and strategic goals over a one-year period. The Committee determines annual cash incentive amounts based upon a number of factors including performance goals, strategic objectives, competitive data, individual performance, and the terms of employment contracts, as described in more detail below. While the Committee does take into consideration performance against performance goals and strategic objectives for the year, it retains discretion in determining actual bonus payouts. Annual cash incentives are typically paid in cash, but the Committee has discretion to pay a portion of the annual cash incentive in equity or other long-term incentives.

The performance goals with respect to our annual cash incentive program typically include metrics such as revenue, operating income, EPS or EPS growth. The Company also typically selects various strategic objectives such as recruiting and retention, productivity of consultants, diversification of revenues, brand awareness and customer satisfaction. At the beginning of fiscal 2011, the Committee determined that the financial metrics for 2011 would be fee revenue and EPS and that equal weight should be given to (1) the fee revenue goal, (2) the EPS goal, and (3) the strategic goals taken as a whole; the Committee retained, however, its ability to evaluate achievement against these factors as it deemed most appropriate. After the end of the fiscal year the Committee then evaluated the achievement of the performance and strategic goals relative to the target and maximum annual cash incentive amounts established for the named executive officers in their employment contracts. For Mr. Burnison, the target bonus is equal to 100% of his base salary and the maximum bonus is equal to 200% of his base salary. For Mr. DiGregorio, the target bonus is equal to 75% of his base salary and the maximum bonus is equal to 150% of his base salary. Ms. Dutra has a target of $650,000 for her target bonus and long-term incentives, in the aggregate. Mr. Mulrooney has a target of $400,000 for his target bonus and long-term incentives, in the aggregate.

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Long-Term Incentives

Long-term incentives are intended to align the named executive officers interests with those of stockholders and encourage the achievement of the long-term goals of the Company. Long-term incentives are also designed to motivate and help retain top talent. To accomplish these objectives the Committee has discretion to make grants of options, time-based restricted stock or performance-based awards, as well as contributions to the Company s non-qualified deferred compensation plan (described below) that vest over time.

The Committee determines long-term incentive award amounts based upon a number of factors including competitive data, total overall compensation provided to each named executive officer, Company performance during the fiscal year preceding the year of grant, historic grants, and any applicable agreements with the named executive officers. The various factors are not given specific weights; the Committee retains discretion to consider items as it deems appropriate.

Historically and in fiscal 2011, consistent with his employment contract, our Chief Executive Officer received annual equity grants with a target grant value (i.e., shares awarded for target performance) equal to 2 times base salary, paid 50% in performance shares and 50% in time-based restricted stock. The Committee has determined that this amount falls within the range of long-term incentives provided by the peer group companies. As described below, the Committee determined for fiscal 2011 that this was an appropriate level of equity grant to properly align the interests of our Chief Executive Officer with the Company s long-term goals, taking into account his individual performance and market compensation levels. As further described below, the CEO was awarded an additional grant of 34,830 shares of restricted stock in recognition of his performance and the Company s solid performance during fiscal 2010. Pursuant to his employment contract, Mr. DiGregorio is eligible to receive annually at the close of each fiscal year an award of performance-based restricted stock, with a target grant value of 37.5% of his annual base salary and a grant of time-based restricted stock and/or stock options, with a target grant value of 37.5% of his annual base salary. As disclosed above, pursuant to their letter agreements, Ms. Dutra has an aggregate target of $650,000 for her target bonus and long-term incentives, in the aggregate, and Mr. Mulrooney has an aggregate target of $400,000 for his target bonus and long-term incentives, in the aggregate.

Decisions and Actions

Base Salary

There were no changes to the base salaries of the Company s named executive officers during fiscal 2011 as the Committee determined based on competitive data and general market knowledge that the base salary levels of the named executive officers were appropriate.

Annual Cash Incentives

The performance goals chosen at the beginning of fiscal 2011 for the year were fee revenues of $685 million and EPS of $0.87. The Committee considers these goals key indicators of Company performance since they capture both overall Company growth and the ability of the Company to translate the growth into net income. Actual results for the year significantly exceeded the goals: fee revenues were $744 million and EPS were $1.27.

The strategic objectives for fiscal 2011 consisted of improving the Company s position with regard to driving an integrated, solutions-based go-to-market strategy, delivery of unparalleled client excellence, extension and elevation of the Company s brand, and the advancement of the Company as a premier career destination. Strong performance against these objectives is considered difficult to achieve given the continuing uncertain economic environment. Despite this, the Committee concluded that the Company had performed very well against these strategic objectives in fiscal 2011.

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Consistent with past practice, in determining annual cash incentive amounts for fiscal 2011, the Committee considered a number of factors in addition to the goals described above, including competitive data, individual performance, and the terms of employment contracts. In assessing performance against the Company s performance goals, the Committee noted the Company s solid performance during fiscal 2011, including the other achievements discussed in the section above entitled Fiscal 2011: Solid Performance.

In determining Mr. Burnison s and Mr. DiGregorio s annual cash incentive for fiscal 2011, the Committee recognized the Company s enhanced performance and the difficulty of the Company s objectives in the economic environment that existed during fiscal 2011. In addition, the Committee considered, among other accomplishments, that under their leadership non-executive recruitment revenue increased, the number of engagements with more than one of the Company s service offerings increased, the number of recruitment engagements for board and CEO positions increased, the number of premier partnership accounts increased and the average fee amount of executive search engagements increased.

In addition to the factors described herein, when determining the amount of Ms. Dutra s annual cash incentive amount for fiscal 2011, the Committee considered the performance of the LTC relative to strategic objectives established for LTC for the fiscal year, the financial performance of LTC, and Ms. Dutra s individual performance. The strategic objectives established for LTC for fiscal 2011 consisted of recruitment and retention of executives and key employees, increasing the productivity of consultants, integration of acquisitions, maintaining and expanding brand awareness and increasing client satisfaction. The Committee determined that LTC had performed well against these objectives and that Ms. Dutra s individual performance as the CEO of LTC had been a key contributor to the success of LTC. For instance, the Committee considered that under Mr. Dutra s leadership the number of engagements with more than one of the Company s service offerings increased and she was able to attract and retain key talent.

In addition to the factors described herein, when determining the amount of Mr. Mulrooney s annual cash incentive amount for fiscal 2011, the Committee considered the performance of Futurestep, including its profitability and revenue, the Company s strategic objectives as they applied to Futurestep, and Mr. Mulrooney s individual performance. The Committee determined that Futurestep had performed well against these objectives and that Mr. Mulrooney s individual performance as the CEO of Futurestep had been a key contributor to the success of Futurestep. For instance, the Committee considered that under Mr. Mulrooney s leadership Futurestep s total revenue increased and he was able to attract and retain key talent.

For Messrs. Burnison, DiGregorio, Mulrooney, and Ms. Dutra, the Committee awarded annual cash incentive amounts as follows: Mr. Burnison-$1,000,000, Mr. DiGregorio-$509,752, Ms. Dutra-$600,000 and Mr. Mulrooney-$500,000.

Long-Term Incentive Awards

As described below, in fiscal 2011, the named executive officers received a mix of time- and performance-based restricted stock. Like performance-based restricted stock, time-based restricted stock aligns the interests of the named executive officers with stockholders because the future value of the award is dependent upon the Company s performance, but also adds an element of retention as the award is expected to have value even in a difficult economic environment.

Below we discuss equity grants made during fiscal 2011, the payout of the performance shares granted in 2008 for which the three-year performance period ended in fiscal 2011, and the equity grants made during fiscal 2012.

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Fiscal Year 2011 Awards

Performance Shares

Mr. Burnison was awarded restricted stock with performance related vesting with a target amount of 42,750 shares, a maximum amount of 85,500 shares, and a minimum amount of zero. These performance shares have a three-year performance period after which the number of shares that vest may range from 0-85,500 depending upon the Company s total stockholder return (the TSR) over the three-year performance period relative to the fiscal 2011 peer group of companies listed above. Such shares are subject to full forfeiture and will only vest if the Company meets certain performance targets at the end of three years from the grant date. If the Company s TSR is less than zero, then the pay-outs will be modified to reduce the percentage of the target.

Performance shares were also granted to the other named executive officers in the following target amounts: Mr. DiGregorio, 12,800 shares (maximum of 25,600 shares and minimum of zero), and Ms. Dutra, 9,600 shares (maximum of 19,200 shares and minimum of zero). Mr. Mulrooney was not awarded any restricted stock in fiscal 2011. He was, however, awarded time-based restricted stock at the end of fiscal 2010 in connection with the commencement of his employment with the Company.

The table below outlines the vesting of the performance shares granted in fiscal 2011 relative to the fiscal 2011 peer group.

Relative Ranking*	Payout as % of Target
1	200%
2	180%
3	160%
4	140%
5	120%
6 (target)	**100%**
7	75%
8	50%
9 (threshold)	25%
10	0%

* Relative Ranking refers to the Company s TSR over the three-year performance period relative to the TSR of the peer group companies over the same three-year performance period. If any member of the peer group ceases to be a public company due to merger, dissolution, or any other reason, the relative ranking and target table above is appropriately revised.

Time-Based Restricted Stock

Mr. Burnison was awarded 42,750 shares of time-based restricted stock. The award vests in four equal annual installments beginning on June 17, 2011. In addition, Mr. Burnison was also awarded an additional grant of 34,830 shares of restricted stock in recognition of his performance and the Company s above market performance during fiscal 2010. This restricted stock award vested in full on June 17, 2011.

Time-based restricted stock grants were awarded to the other named executive officers as follows: Mr. DiGregorio 12,800 shares, and Ms. Dutra 19,200 shares. The restricted stock awarded vests in four equal annual installments beginning on July 12, 2011.

Performance Shares for the Three-Year Performance Cycle Ending April 30, 2011

April 30, 2011 marked the end of the three-year performance cycle for the performance shares granted to Mr. Burnison in fiscal 2008. The Company s relative total stockholder return over the three-year performance period ranked 4th out of 10, resulting in 53,690 shares (equal to 140% of the target) vesting on July 11, 2011.

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Fiscal Year 2012 Awards

After the close of fiscal 2011 and as will be described in more detail in the proxy for fiscal 2012, the Company granted time-vesting restricted stock and performance shares to the named executive officers, in part to reward performance in fiscal 2011. The shares were similar in design to the awards granted in fiscal 2011 and were granted in the following amounts:

	Restricted Stock	Performance Shares (at target*)
Mr. Burnison	30,820	30,820
Mr. DiGregorio	7,840	7,840
Ms. Dutra	11,740	5,870
Mr. Mulrooney	8,810	4,400

* Maximum performance results in double the target payout and minimum performance results in zero payout.

OTHER COMPENSATION ELEMENTS

Generally Available Benefits and Perquisites

The Company provides named executive officers the same benefits that are provided to all employees, including medical, dental and vision benefits, group term life insurance and participation in the Company s 401(k) plan. In addition, the named executive officers receive the benefits provided to all employees at the level of vice president and above including an automobile allowance, participation in the Company s nonqualified deferred compensation plan (described below) and reimbursement for medical expenses not reimbursed under the group medical plan, typically up to $2,500 per annum. In addition, Mr. Mulrooney is provided with a cash stipend in the annual amount of $100,000 pursuant to the terms of his letter agreement.

Nonqualified Deferred Compensation Plan

The Company maintains a nonqualified deferred compensation plan, known as the Korn/Ferry International Executive Capital Accumulation Plan (ECAP). Pursuant to the ECAP, the named executive officers, along with all other U.S.-based vice presidents, may defer up to 90% of their salary and/or up to 100% of their annual incentive award into the ECAP. Participants in the ECAP make elections on how they would like their deemed account invested from a set line up of 17 pre-determined mutual funds. At its discretion, the Company may make contributions to the ECAP on behalf of a participant. All Company matching and performance contributions to the ECAP are approved by the Committee. During fiscal 2011 no Company contributions were made to the ECAP on behalf of the named executive officers.

Employment Agreements

Each of the Company s named executive officers is covered by an employment or letter agreement that provides for a minimum annual level of salary, target annual cash incentive, eligibility for long-term incentives and benefit eligibility. The agreements with Messrs. Burnison and DiGregorio also provide for a severance benefit in the event of a termination of employment without cause or for good reason, as such terms are defined in the agreements. It is the Compensation and Personnel Committee s belief that such agreements are necessary from a competitive perspective and also contribute to the stability of the management team.

The change in control benefits for Mr. Burnison include a gross-up payment in connection with Section 280G of the Internal Revenue Code (referred to as the Section 280G gross-up). The Section 280G tax on excess parachute payments is assessed, in part, based on Form W-2 income over the five year period preceding a termination in connection with a change in control. Thus, the amount of tax imposed varies depending on factors such as whether the executive officer elected to defer compensation or to exercise stock options. The Section 280G gross-up payment is intended to make certain that the payments and benefits actually received by Mr. Burnison, net of tax, are consistent with our compensation decisions and do not vary arbitrarily due to the operation of the tax rules. For these reasons, we believe that the provision of the Section 280G gross-up payment for Mr. Burnison is appropriate. The Company will no longer provide for Section 280G gross-up payments in future employment and/or severance arrangements.

Please refer to the Employment Agreements and Potential Payments Upon Termination or Change of Control for further discussion of these employment agreements.

OTHER POLICIES

Stock Ownership Guidelines

To further align the named executive officers interests with those of our stockholders, in June 2011, the Board and the Nominating and Corporate Governance Committee adopted amended and restated stock ownership guidelines for the Company. The amended guidelines provide that all named executive officers are required to own three times their annual salary in Company common stock and all non-employee directors are required to own three times their annual cash retainer in Company common stock. Stock ownership includes direct stock ownership but does not include unvested stock awards. Pursuant to the stock ownership guidelines, the stock ownership level will be calculated annually on the day of the Company s annual meeting of stockholders based on the prior thirty-day average closing stock price as reported by the NYSE. Each named executive officer and director has five years from the later of the effective date of the guidelines (June 14, 2011) or the date appointed to such position to meet the ownership requirements. All of our named executive officers are either in compliance with the stock ownership guidelines or are on track to be in compliance within the applicable time period.

Clawback Policy

On July 12, 2011, the Board of Directors adopted a clawback policy applicable to all incentive payments and performance-based equity awards granted to executive officers or the principal accounting officer after July 12, 2011. Additionally, the clawback policy applies to the annual cash incentive payments to Messrs. Burnison, DiGregorio and the Principal Accounting Officer with respect to fiscal 2011 performance. Pursuant to the policy, in the event that the Board determines there has been an accounting restatement due to material noncompliance with any financial reporting requirement under the securities laws, the Board will review all applicable incentive payments and if such payments would have been lower had they been calculated based on such restated results, the Board may, to the extent permitted by governing law, seek to recoup for the benefit of the Company such payments to and/or equity awards held by executive officers or the principal accounting officer who are found personally responsible for the material restatement, as determined by the Board.

Internal Revenue Code Section 162(m)

As one of the factors in the review of compensation matters, the Committee considers the anticipated tax treatment to the Company. The deductibility of some types of compensation for named executive officers depends upon the timing of a named executive officer s vesting or exercise of previously granted rights or on whether such plans qualify as performance-based plans under the provisions of the tax laws. The Committee usually seeks to satisfy the requirements necessary to allow the compensation of its named executive officers to be deductible under Section 162(m) of the Internal Revenue Code, but may also approve compensation that is not deductible under Section 162(m).

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COMPENSATION AND PERSONNEL COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation and Personnel Committee has reviewed and discussed the Compensation Discussion and Analysis (the CD&A) for the fiscal year ended April 30, 2011 with management. In reliance on the reviews and discussions with management relating to the CD&A, the Compensation and Personnel Committee has recommended to the Board, and the Board has approved, that the CD&A be included in this Proxy Statement.

Compensation and Personnel Committee

Gerhard Schulmeyer, Chair

Denise Kingsmill

Edward D. Miller

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During fiscal 2011, at all times, all members of the Compensation and Personnel Committee were independent , none were employees or former