

# INSIDER TRADING POLICY

## I. SUMMARY

As part of our work as trusted advisors, we often become aware of non-public information which could have an impact on the clients' or Heidrick's share price or other securities. Consistent with our bedrock value of always acting with integrity, any Personnel who is aware of material, non-public information regarding Heidrick or any other company must not:

- Trade in that company's stock;
- Disclose that information to others who may buy or sell securities because of the information; or
- Otherwise use the information for personal advantage or the personal advantage of others.

*When in doubt, the general rule is don't trade.*

This Policy explains what insider trading is in more detail, how we should deal with such information and the measures and procedures Heidrick has in place to prevent insider trading. Please note that there are several capitalized words and phrases in the Policy and their specific meanings are detailed in the glossary for your reference and convenience.

## II. PROHIBITIONS

1. **Heidrick Securities.** Our Personnel shall **NOT** purchase or sell any Heidrick securities (NASDAQ: HSII) during any **Blackout Period**.
2. **Hedging and Pledging.** Our Personnel shall **NOT** hold Heidrick securities in a margin account, pledge Heidrick securities as collateral for a loan, purchase financial instruments or otherwise engage in transactions that either hedge or offset any decrease in value of Heidrick securities.
3. **Client Securities.** Our Personnel working with our clients or on our client engagements and privy to confidential information shall **NOT** trade any type of securities **related to the client or the engagement** during the course of the engagement and for a minimum of six months following the completion of any engagements with that client (or longer under this subparagraph 4 below if applicable).
4. **Any Material Non-Public Information.** Our Personnel also shall **NOT** trade any securities of Heidrick, Heidrick's clients, direct competitors or companies that may have negotiations with Heidrick in major transactions, where we have material non-public information about those companies.
5. **Tipping.** Our Personnel may not directly or indirectly pass along the information to **Related Persons** and any others (i) outside Heidrick ("tipping") under any circumstances (other than to Heidrick's lawyers, accountants or consultants who have a need to know such information); or (ii) inside Heidrick unless such individual has a need-to-know such information.

These restrictions apply to transactions conducted in your personal account or any other account which you have direct or indirect control of. Regardless of whether you are working on a matter involving any of the foregoing types of relationships noted above, all Personnel must notify Heidrick's General Counsel before

taking a **Material Position** in the securities, or becoming a member of the board of directors, of such a company.

### **III. WHO MUST FOLLOW THIS POLICY**

This Policy applies to all Heidrick Personnel globally (including our employees, officers and directors) both during their time with the firm and after, until such time as 1) the minimum time-based prohibitions for trading in client securities in this Policy expire; 2) the individual is no longer aware of the relevant material non-public information obtained prior to the cessation of employment; or 3) such information is publicly disclosed or is no longer material. Our Personnel are privy to a great deal of information due to our role as trusted advisors, and as Insiders under this Policy must act with the highest integrity.

### **IV. PROCEDURES PREVENTING INSIDER TRADING**

Heidrick has established – and will maintain and enforce - the following procedures, to prevent insider trading. Personnel are required to follow these procedures:

#### **a. Pre-Clearance of All Trades by All Officers and Directors**

Our integrity and reputation come first. To prevent inadvertent violations of this Policy or applicable laws, and to avoid even the appearance of wrongdoing, all transactions in Heidrick securities by officers and directors must receive written permission from Heidrick’s General Counsel (or his/her nominee) before engaging in any transaction (referred to as “pre-clearance”). The pre-clearance request form is available on Gateway. Pre-clearance of a transaction is valid for a 72-hour period. If the transaction order is not placed within that 72-hour period, pre-clearance of the transaction must be re-requested. If pre-clearance is denied, the person requesting such pre-clearance must keep the fact of that denial confidential as it could result in an unintended distribution of information about a pending material event.

These trading restrictions do not apply to transactions under a pre-existing written plan, contract, instruction, or arrangement under Rule 10b5-1 under the Securities Exchange Act of 1934 (an “Approved 10b5-1 Plan”) that: (i) has been reviewed and approved at least one month in advance of any trades under that Approved 10b5-1 Plan by the General Counsel (or, if revised or amended, such revisions or amendments have been reviewed and approved by the General Counsel at least one month in advance of any subsequent trades); (ii) was entered into in good faith by the Personnel at a time when the Personnel was not in possession of material non-public information about the Company; and (iii) gives a third party the discretionary authority to execute such purchases and sales, outside the control of the Personnel, so long as such third party does not possess any material non-public information about the Company; or explicitly specifies the security or securities to be purchased or sold, the number of shares, the prices and/or dates of transactions, or other formula(s) describing such transactions. The Rule 10b5-1 pre-clearance request form is available upon request.

#### **b. Inquiries for Information Relating to Heidrick**

*Inquiries from Third Parties.* Inquiries from third parties, such as news media or industry analysts about the Heidrick should always be directed to the Investor Relations Department. The Company’s Investor Relations Department contact information can be located at <https://heidrick.com/About/Investor-Relations>.

#### **c. Revisions to this Policy**

Heidrick may change the terms of this Policy from time to time to respond to developments in law and practice and will take reasonable steps to inform all affected persons of any material change to this Policy. If you have any questions about this Policy, please contact the Legal Department at [legaldepartment@heidrick.com](mailto:legaldepartment@heidrick.com). You should note, however, that you are ultimately responsible for conforming your actions to the requirements of the insider trading laws and this Policy.

## V. COMPLIANCE

Any Personnel who fails to comply with this Policy will be subject to disciplinary action, including the termination of employment. Insider-trading violations are not limited to trading or tipping by our Personnel. Persons other than our Personnel also can be liable for insider trading, including those who trade on material, non-public information tipped to them or individuals who trade on material, non-public information that has been misappropriated.

In addition, penalties for trading on or tipping material, non-public information can greatly exceed any profits made or losses avoided for the individuals engaging in such unlawful conduct. The Securities and Exchange Commission (“SEC”), Financial Industry Regulatory Authority (“FINRA”) and Department of Justice (“DOJ”) have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the federal securities laws include criminal and civil penalties as well as SEC administrative sanctions.

## VI. SCENARIOS

**Q. I am working on a search and have found out that the client is going to acquire one of its competitors. I want to trade stock in the company it is acquiring, when am I allowed to do so?**

A. Once the acquisition becomes known to the public then you are able to trade.

**Q. My fund manager deals with investing my stock and I have little involvement in this. If I become aware of material non-public information, do I need to say anything to my fund manager and if so, what am I allowed to say?**

A. It is better not to be invested in a client or candidate company to prevent any possibility of risk, particularly in situations where we may become aware of potential movements within the organization. We suggest discussing with your fund manager the need for approval prior to any stock purchase taking place.

**Q. I am currently doing a CEO search and once placed, the intention is for the CEO to do a complete overhaul of for the future strategy of the company. Recently, the fact that the CEO was being replaced was reported in the news. Is this still material non-public information?**

A. The information reported in the news is now public information, however you may still be privy to material non-public information about the company.

**Q. A friend at a dinner party last weekend recommended I buy stock in a company he’s currently assisting in the acquisition of. The deal is about to close anyway and I didn’t receive this information through Heidrick so is it acceptable to trade stock about this company?**

A. This would still be deemed as tipping. Material non-public information can be received through any form of communication including inappropriate conversations at social or business gatherings.

## VII. GLOSSARY

The following explanations provide further clarification on what falls under this Policy:

“**Blackout Period**” means the period beginning at the close of business on the last business day of any fiscal quarter of Heidrick and ending one trading day after the public release of earnings data for such fiscal quarter. This “blackout period” is subject to change as deemed necessary by Heidrick and, under certain circumstances, Heidrick may extend the blackout period to prohibit trading by some or all Personnel.

“**Insider trading**” occurs when any person purchases or sells a security while aware of inside material non-public information relating to a security.

An “**Insider**” means any person (generally officers, directors and employees) who possess material non-public information as well as “temporary insiders” who occasionally receive such information, such as underwriters, lawyers, accountants, or consultants. The definition of insider is transaction specific; that is, an individual is an insider with respect to each material nonpublic item of which he or she is aware. Insiders also have independent fiduciary duties to Heidrick and its stockholders not to trade on material, non-public information relating to Heidrick’s securities.

“**Material Information**” means any information that has a substantial likelihood to influence (either positively or negatively) someone to buy, hold or sell the respective securities. It does not have to be related to the respective business, for example, the contents of a forthcoming newspaper column that is expected to affect the market price of a security can be material. The materiality of particular information is subject to reassessment on a regular basis. Some examples of material information include:

1. Financial results and projections of future earnings or losses
2. News of pending or proposed joint ventures, mergers, acquisitions or divestitures
3. Gain or loss of a substantial contract or alliance partner
4. Significant new product announcements or pricing changes
5. New equity or debt offerings
6. Significant litigation exposure due to actual or threatened litigation
7. Changes in senior management
8. Impending bankruptcy or financial liquidity problems
9. Changes in dividend policy, stock splits, spin-offs or other special distributions (including stock repurchase programs).

A “**Material Position**” means acquiring beneficial ownership of greater than 5% of such outstanding securities or investing 10% or more of your net worth in such securities.

“**Non-public Information**” means any information that is not available to the general public.

“**Personnel**” means all Heidrick employees, Officers and Directors.

“**Public Information**” on the other hand is information that is widely disseminated (e.g. media and news reporting) so that it is generally available to investors (circulation of rumors may not constitute public dissemination).

“**Related Persons**” means any related person to an Insider (including spouse, children and anyone else living in the household; partnerships in which an Insider is a partner; trusts of which an Insider is a trustee; and estates of which an Insider is an executor.

“**Securities**” include common stocks, bonds, notes and debentures, as well as options to purchase, warrants and similar instruments related to such stock, bonds, notes and debentures and any other securities Heidrick or the Client may issue from time to time, such as preferred stock, warrants or convertible debentures. Heidrick’s securities also include derivative securities relating to Heidrick’s stock, even if not issued by Heidrick (e.g. exchange-traded options).

“**Trade**” means purchasing or selling the securities. A purchase or sale includes the actual purchase or sale of a security, as well as the entry into any contract to purchase/sell or otherwise acquire/dispose of a security.