



Off-Limits Policy

CONFIDENTIAL

For Russell Reynolds Associates Internal Use Only

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Off-Limits Policy

INTRODUCTION

Managing off-limits obligations to clients is one of the most important and complex aspects of running a global executive search, assessment and leadership advisory firm, like Russell Reynolds Associates (“RRA” or the “Firm”). Clients are sophisticated about demanding off-limits status in return for awarding search or assessment work. Industry standards about confidentiality and conflicts of interest are rising. Our off-limits obligations, moreover, are now primarily contractual in nature, exposing the Firm to legal liability for any breach of our duties.

In this environment, we must monitor off-limits more rigorously than ever before. Every RRA employee must not only understand and adhere to our off-limits policies, but must also actively help RRA fulfill its off-limits promises to clients around the globe. To meet these obligations, we must work collaboratively and always understand that we are all part of the same firm.

This Policy describes the circumstances in which RRA will grant clients off-limits status and how we collectively will manage those obligations. We will only grant off-limits when it directly serves the Firm’s long-term strategic interests or when standards of professionalism require it. We generally will not grant off-limits to attract new relationships, but rather to reward existing clients that have given RRA a significant volume of business. One of the best ways we can manage off-limits is to set a high bar for granting it.

We will honor our off-limits obligations completely. This means that, once we decide as a Firm to grant off-limits in any respect to any client, every employee in the Firm must respect that obligation without exception. Knowing or reckless violations of this Policy will result in disciplinary action, which may include termination of employment.

I. TYPES OF PEOPLE WHO ARE OFF-LIMITS

A. SUCCESSFUL CANDIDATES.

RRA will not solicit successful candidates (SCs) who were recruited to their current employer by RRA. This prohibition is of unlimited duration and ordinarily will endure even if the client is acquired or reorganizes. Successful candidates are off-limits as a matter of professionalism, but many of our client contracts also expressly prohibit us from recruiting successful candidates for as long as they are employed by the client. In the absence of any contractual agreement on the issue, RRA may make exceptions to the perpetual off-limits status of SCs when extenuating circumstances exist. All such exceptions must be approved by RRA’s General Counsel. Successful candidates may be solicited, however, if the client expressly waives, in writing, the off-limits with respect to that successful candidate. The written waiver should be obtained before engaging the SC in any discussion regarding another position.

B. PARTICIPANTS IN THE SEARCH PROCESS; INDIVIDUALS WHO REPORT TO THE SUCCESSFUL CANDIDATE; AND INTERNAL CANDIDATES.

As a matter of professionalism (and pursuant to many of our client contracts), during the search assignment and for a period of six months thereafter, RRA will not solicit client employees who materially participate in the search process or who report directly to our SC. If requested by a client, this off-limits arrangement may be added to an Engagement Letter using RRA’s Engagement Letter template and selecting the “Nonsolicitation (Off-Limits)” exception.



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Client contacts (CCs) are always considered to be material participants in the search. Jury members (JMs) are generally considered to be material participants in the search, although the relationship manager may determine that certain jury members who have had limited involvement in the search process are not material participants. There also may be other client employees who are material participants in the search.

If a client's internal candidate is included in our search process, that internal candidate will be off-limits for a period of one year from completion of the search.

C. EMPLOYEES OF COMPANIES WITH CONTRACTUAL OFF-LIMITS.

This is perhaps the most important off-limits category, because in these situations RRA has undertaken a written legal obligation not to solicit certain client employees for a specified period of time. These contractual obligations are increasingly complex and often change over time, with RRA undertaking various off-limits obligations depending on the volume of work and the regions, departments or functions involved. RRA will not solicit employees who are contractually off-limits for as long as the contractual obligation remains in effect. Keep in mind that contracts are often renewed upon expiration and off-limits obligations often survive expiration so you should not assume that a contractual off-limits obligation will terminate when a contract is set to expire. No RRA employee is authorized to sign any Engagement Letter or other agreement containing off-limits provisions, or to make any promise of any nature about off-limits (other than inserting RRA's standard off-limits provision using the Engagement Letter template), unless such arrangement has been approved by the Sector Leaders, Practice Leaders and Pricing and Off-limits Committee and negotiated and drafted by RRA's legal team.

D. EMPLOYEES OF RELATIONSHIP CLIENTS.

In exceptional cases, RRA may grant departmental, regional or global off-limits to its most valued clients even in the absence of any contractual obligation to do so. Such clients are commonly referred to as "Relationship Clients" in recognition of a lengthy, deep, and regular relationship between the client and RRA. The decision to voluntarily grant such clients off-limits status will be made by the Sector Leaders and Practice Leaders, with oversight from the Pricing and Off-limits Committee. Sector Leaders will reassess these decisions at least annually with the Practice Leaders and Relationship Managers.

E. LEADERSHIP & SUCCESSION.

RRA's Engagement Letters with Leadership & Succession clients may provide that any client employee who goes through RRA's executive assessment process will be off-limits for a period of one year from the time the assessment is completed. Even if not specified in the Engagement Letter, this off-limits obligation should be observed as a matter of professionalism for all assessed candidates. Assessed candidates are denoted in Beacon with the designation "AC" (assessment completed).

II. PROCEDURES REGARDING OFF-LIMITS

A. How do you get approval for granting contractual off-limits? Off-limits arrangements can constrain our ability to access the best talent for clients. Therefore, it is imperative that any grant of off-limits be carefully considered and determined to serve the Firm's long-term strategic interests. Any Engagement Letter, agreement or other written communication in which RRA agrees not to recruit client employees (other than the SC, his or her direct reports, material participants in the search, internal candidates or assessed employees) must be submitted to an RRA Contracts Administrator for legal review. The Contracts Administrator will coordinate obtaining any



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necessary approvals from the Sector Leaders, Practice Leaders and Pricing and Off-Limits Committee and drafting of the appropriate off-limits language, and will also capture any agreed off-limits arrangement in Beacon and in the Firm's contracts database.

B. What are the guidelines for granting off-limits in a master services agreement (MSA)? The goal should always be to keep off-limits arrangements as narrow as possible. If a client is requiring off-limits in an MSA, our preferred position is to grant off-limits for material participants in each search and direct reports to the SC for 12 months from the start of the search (12 months from end of search is acceptable if requested by the client). If the client insists on broader off-limits (e.g., departmental, regional, global), then approval must be obtained from the Sector Leaders, Practice Leaders, and Pricing and Off-Limits Committee and the off-limits obligation must be tied to fee volumes. The larger the client and the broader the scope of the off-limits, the higher the volume of fees that will be required for the off-limits to apply. For more detailed guidelines regarding thresholds for off-limits, please see Annex I attached.

C. Who decides relationship-based off-limits? Sector Leaders and Practice Leaders, with oversight from the Pricing and Off-limits Committee, may designate Relationship Clients as off-limits even in the absence of a written agreement. The Relationship Manager may make exceptions to relationship-based off-limits (to the extent not inconsistent with what may have been communicated to the client), but cannot make exceptions to contractual or policy-based off-limits. Sector Leaders will routinely re-evaluate relationship-based off-limits and will keep the Contracts Administrators informed of any changes.

D. Who manages off-limits information in Beacon? The Contracts Administrators will maintain the database of off-limits companies. Any question about the off-limits status of a company or potential candidate should be directed to one of the Contracts Administrators, who will review the Firm's applicable contracts and may consult with the Relationship Manager, Sector Leaders, Practice Leaders or Leadership & Succession practice as necessary to provide a definitive answer on the company's or the potential candidate's current off-limits status. Relationship Managers are responsible for routinely reviewing the off-limits status of their clients reflected in Beacon to make sure it is accurate and should notify a Contracts Administrator of any updates or errors.

E. What does off-limits mean? When an individual is determined to be off-limits, RRA will not participate in the recruitment of such person in ANY respect. In particular, we will not: refer the person to any other client; provide or obtain references on the person; interview or assess the person; arrange client interviews with the person; informally counsel the client about the hiring of such person; include the person's name on a mapping document or status memo; or collect a pick-up fee upon the hiring of such candidate. Consultants may source individuals who are off-limits, but should inform the Relationship Manager prior to making the contact and should make clear to the source in writing (email) that the purpose of the contact is limited to sourcing.

F. What if the prospect/candidate becomes off-limits after we have already introduced him/her to the search? If you identify an individual to a client as a prospect or candidate, and that individual subsequently becomes subject to an RRA off-limits obligation, you should contact the General Counsel immediately for guidance. If the individual has been identified only internally at RRA and not yet to the client, the individual should be removed from the search.



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G. May I approach off-limits individuals about non-executive director (NED) positions? Yes, but you should speak with the Relationship Manager before contacting the potential candidate.

H. May I include off-limits individuals on mapping or presearch documents for other clients? No, the Firm believes that including off-limits individuals on mapping documents is inconsistent with our duties to the off-limits company.

I. Can I rely solely on the notes in Beacon to determine RRA's off-limits obligations to a client? Beacon only includes information regarding formal off-limits arrangements that have either been agreed in a client contract or specifically designated by the Sector Leaders. It does not include off-limits arrangements that RRA respects as a matter of professionalism, nor does it include off-limits that may be appropriate to observe due to the relationship with a particular client. Therefore, before approaching an employee of any current RRA client, you must in addition to reviewing the off-limits notes in Beacon, consider the client's relationship with RRA, review recent assignments and BD activities in Beacon and, if there is any doubt as to whether it is appropriate to contact the individual, you should speak with the legal team and Relationship Manager prior to making the contact.

J. Everyone is responsible for keeping Beacon accurate. If you believe that any information in Beacon is incorrect, please contact one of the Contracts Administrators who will then review and make any necessary revisions.

K. KNOWING OR RECKLESS VIOLATIONS OF THIS POLICY MAY RESULT IN TERMINATION OF EMPLOYMENT. INTENTIONAL MANIPULATION OF RECORDS IN RRA SYSTEMS FOR THE PURPOSE OF CIRCUMVENTING THIS POLICY IS SPECIFICALLY PROHIBITED AND WILL BE GROUNDS FOR DISCIPLINARY ACTION, WHICH MAY INCLUDE TERMINATION.

III. DESIGNATIONS IN BEACON

Off-limits companies are designated in Beacon as follows:

	Global: Company off-limits worldwide	You cannot recruit any employees of this company
	Partial: Portion(s) of company (e.g., departments, locations, divisions and/or individuals) off-limits	You must investigate further to determine if you can recruit employees of this company

You should never approach an employee of a company that is designated with a red No Entry Sign. You should not approach any employee of a company designated with a yellow Warning Sign without first reviewing the off-limits notes, recent assignments and BD activities for the company in Beacon. Finally, even if a client is not



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designated as off-limits in Beacon, prior to contacting any employee of a current RRA client you should review the recent assignments and BD activities that have been conducted for that client. If there is any doubt as to whether it is appropriate to approach the individual, you should contact a Contracts Administrator who will review the individual's precise off-limits status and may refer you to the Relationship Manager for further discussion.

Off-limits individuals are designated in Beacon as follows:

	Individual off-limits	You cannot recruit this individual
	Individual may be off-limits	You must investigate further to determine if you can recruit this individual

You should never approach an individual who is designated with a red No Entry Sign. You should not approach any individual who is designated with a yellow Warning Sign without first reviewing the off-limits notes, recent assignments and BD activities for the individual's employer in Beacon. Finally, even if an individual is not designated as off-limits in Beacon, prior to contacting any individual who is an employee of a current RRA client you should review the recent assignments and BD activities that have been conducted for that client. If there is any doubt as to whether it is appropriate to approach the individual, you should contact a Contracts Administrator who will review the individual's precise off-limits status and may refer you to the Relationship Manager for further discussion.

IV. WHAT HAPPENS IF AN OFF-LIMITS INDIVIDUAL IS RECRUITED?

Our search work operates at a fast pace and the off-limits status of companies can change rapidly. For these reasons, mistakes can easily happen if you are not always diligent about assessing the off-limits status of a prospective candidate and their employer. Our goal is to have practices and procedures that minimize the risk of mistakes. We also want to be able to demonstrate to any client affected by a mistake that we acted in good faith and sought to mitigate the harm as soon as we discovered the mistake.

A. Notify the General Counsel Immediately. As soon as you discover that an off-limits individual has been inadvertently solicited, you should contact RRA's General Counsel immediately so that corrective actions may be pursued to protect RRA's interests and the interests of the affected company. In most cases, RRA will immediately withdraw from further communication with the candidate and explain the error to the candidate and client for whom we were conducting the search.



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B. Credit Forfeiture. In the event an off-limits individual becomes the successful candidate as a result of being wrongfully approached by RRA, then no completion credit or fee credits associated with any up-lift fee will be allocated to anyone associated with the search.

C. Investigation. The Firm will investigate the reasons for any off-limits breach. Appropriate discipline, which may include termination of employment, will be assessed to anyone who knowingly or recklessly violates this Policy.

**This Policy may be updated periodically.
The most up-to-date version of the Policy can be found on
[@RRA/Corporate Center/Legal/Off-Limits/Off-Limits Policy](#)**



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APPENDIX

CONTRACTS ADMINISTRATORS

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WHO DO I CONTACT?

If I suspect, or know of, an off-limits violation	Eric Allen Marlo Salz
To request that a client be put off-limits	Julia Cheung Jared Krick Joyce Wah
To confirm a company's off-limits status	Off-Limits Management Team Julia Cheung Jared Krick Joyce Wah
To confirm whether an individual is off-limits	Off-Limits Management Team Julia Cheung Jared Krick Joyce Wah
If the off-limits status for a company and/or candidate needs to be updated	Julia Cheung Jared Krick Joyce Wah
For technical issues in Beacon related to off-limits	Your local Helpdesk



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ANNEX I

MSA Off-Limits Guidelines

- Preferred Position (no approval required): Off-limits for material participants in each search and direct reports to the SC for 12 months from the start of the search (12 months from end of search is acceptable if requested by the client). Before granting any off-limits broader than this, approval must be obtained from the Sector Leaders, Practice Leaders and Pricing and Off-Limits Committee.
- Fallback Position (approval required): If the client requires broader off-limits, then fee volumes must be achieved. There should be both a Global threshold and a threshold for each Region or Business Unit or Business Segment, depending on how the client is organized.
 - For Global off-limits, at least \$_____ * million in annual fees globally AND at least \$_____ * in annual fees in each Region/Business Unit/Business Segment.

	Large Companies	Mid-Size Companies	Small Companies
Global Threshold	\$3 million	\$1.5 million	\$750,000
Regional/Business Unit/Business Segment Threshold	\$1 million	\$500,000	\$250,000

* Thresholds should be no less than the amounts set forth in table

- If the Global off-limits thresholds are not met, then any Region/Business Unit/Business Segment which pays at least \$_____ * in annual fees will be off-limits.

	Large Companies	Mid-Size Companies	Small Companies
Regional/Business Unit/Business Segment Threshold	\$1.5 million	\$750,000	\$375,000

* Thresholds should be no less than the amounts set forth in table

- If the Global and Regional/Business Unit/Business Segment thresholds have not been met, then no off-limits will be triggered. Nevertheless, we can agree that for each search, material participants in the search and direct reports to the SC will be off-limits for 12 months from the start of the search (12 months from end of search is acceptable if requested by the client). If the client requires broader off-limits on a search-by-search basis, approval is required from the Sector Leaders, Practice Leaders and Pricing and Off-Limits Committee and the scope should be as narrow as possible including departmental and geographic limitations (e.g., if the search is for a Head of Marketing, Europe, then the off-limits should be limited to the Marketing Department in Europe).



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Special Addendum to RRA Off-Limits Policy for Private Equity Clients (Effective February 18, 2020)

Granting Off-Limits to Private Equity Clients

Since off-limits arrangements constrain our ability to present the best candidates to our clients, ALL off-limits arrangements for a private equity client (including portfolio companies) require approval by the Private Equity Sector Leaders. This includes RRA's standard off-limits clause (which puts material participants in a search and direct reports to the successful candidate off-limits for the term of the search plus six months) since the off-limits scope may prohibit RRA from approaching jury members from the private equity firm. If the Private Equity Sector Leaders approve an off-limits request, the off-limits clause needs to be drafted by the Legal team.

Honoring Off-Limits Obligations for Private Equity Clients

Due to the unique nature of the private equity industry as it relates to our executive search practices, some of RRA's off-limits policies are creating undue hardship for the Private Equity Sector in conducting searches. To alleviate some of those challenges, the following exceptions to RRA's Off-Limits Policy will apply to RRA's Private Equity Sector:

- I. Jury members from a private equity fund or portfolio company who are off-limits under RRA's Off-limits Policy due to their role as jury members (and are not contractually off-limits to RRA) can be released from their off-limits status by the RRA consultant who manages the PE client relationship;
- II. Client contacts on the PE team for a portfolio search who are off-limits under RRA's Off-limits Policy due to their role as client contacts (and are not contractually off-limits to RRA) can be released from their off-limits status by the RRA consultant who manages the PE client relationship;
- III. Market mappings may include PE professionals who are off-limits to RRA if they are clearly designated as such (if I. or II. above applies to a PE professional, then no such designation is required); and
- IV. Removal of the off-limits status of an SC who is not contractually off-limits to RRA can be requested from the Legal team by a consultant if (i) the SC has been employed by the client (or former client) for at least five years and (ii) other exceptional circumstances exist as to why the off-limits status should no longer apply (e.g., change in control). If approved by the Legal team, the off-limits status will be removed.

The above applies only to RRA's Private Equity Sector (including portfolio companies) and supersedes any conflicting terms in RRA's Off-Limits Policy. Consultants who wish to rely on the above exceptions must act with the appropriate diligence and prudence, always putting the interests of the Firm above their individual interests.

