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RIGHT MANAGEMENT CONSULTANTS INC  
Form DEF 14A  
April 12, 2002

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. \_\_)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Exchange Act Rule 14a-11 or 14a-12

RIGHT MANAGEMENT CONSULTANTS, INC.  
(Name of Registrant as Specified In Its Charter)

-----  
(Name of Person(s) Filing Proxy Statement)  
Payment of filing Fee (check the appropriate box):

- No Fee Required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:  
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2) Aggregate number of securities to which the transaction applies:  
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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 is calculated and state how it was determined.)  
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4) Proposed maximum aggregate value of transaction:  
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statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:  
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- 2) Form, Schedule or Registration Statement No.:  
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- 3) Filing Party:  
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- 4) Date Filed:  
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RIGHT MANAGEMENT CONSULTANTS, INC.  
1818 Market Street  
33rd Floor  
Philadelphia, Pennsylvania 19103

Dear Shareholder:

On behalf of the Board of Directors, I am pleased to invite you to attend our 2002 Annual Meeting of Shareholders to be held on Thursday, May 2, 2002 at 10:00 a.m., Eastern Daylight Time. This year's Annual Meeting will be held at our headquarters, 1818 Market Street, 33rd Floor, Philadelphia, PA 19103. At this meeting, you will have the opportunity to ask questions. Enclosed with this proxy statement are your voting card and the 2001 Annual Report to Shareholders.

The principal business of the meeting is to elect eleven (11) directors, to ratify the selection of Ernst & Young LLP as the independent public accountants of Right Management Consultants, Inc. for 2002, and to transact any other business that is properly presented at the Annual Meeting. The notice of meeting and Proxy Statement accompanying this letter describe the specific business to be acted upon in more detail.

This year for the 2002 Annual Meeting, we have adopted the SEC's "householding" rule. This rule permits us to deliver a single proxy or information statement to a household, even though two or more shareholders live under the same roof or a shareholder has shares registered in multiple accounts. This rule enables us to reduce the expense of printing and mailing associated with proxy statements and reduces the amount of duplicative information you may currently receive. If this rule applies to you and you wish to continue receiving proxy materials as in prior years, without participating in the "householding" rule, please inform us in writing within sixty (60) days. If we do not hear from you within sixty (60) days, we will assume that we have your implied consent to deliver one set of proxy materials under this rule. This implied consent will continue for as long as you remain a shareholder of the company, unless you inform us in writing otherwise.

We are delighted that you have chosen to invest in Right Management Consultants, Inc. and hope that, whether or not you plan to attend the Annual Meeting, you will vote as soon as possible by completing, signing and returning

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the enclosed proxy in the envelope provided. Your vote is important. Voting by written proxy will ensure your representation at the Annual Meeting if you do not attend in person.

I look forward to seeing you on May 2, 2002 at the Annual Meeting.

Sincerely,

/S/ CHARLES J. MALLON

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Charles J. Mallon  
Secretary

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RIGHT MANAGEMENT CONSULTANTS, INC.  
1818 Market Street  
33rd Floor  
Philadelphia, Pennsylvania 19103  
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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON THURSDAY, MAY 2, 2002

Date: Thursday, May 2, 2002  
Time: 10:00 a.m. (EDT)  
Place: 1818 Market Street  
33rd Floor  
Philadelphia, PA 19103

We will hold our Annual Meeting of Shareholders on Thursday, May 2, 2002, at 10:00 a.m., at our headquarters, 1818 Market Street, 33rd Floor, Philadelphia, Pennsylvania.

The purpose of the Annual Meeting is to consider and take action on the following:

1. To elect eleven (11) directors for a term of one year.
2. To ratify the selection of Ernst & Young LLP as our independent public accountants for the fiscal year 2002.
3. To transact any other business properly brought before the Annual Meeting.

If you are a shareholder as of March 15, 2002, you may vote at the meeting. This Proxy Statement, voting instructions and our 2001 Annual Report to Shareholders are being distributed on or about April 12, 2002.

You are cordially invited to attend the meeting. However, whether or not you expect to attend the meeting, to assure that your shares are represented at the meeting, please date, execute, and mail promptly the enclosed proxy card in the enclosed, stamped envelope. The return of the enclosed proxy card will not affect your right to vote in person if you do attend the meeting.

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By order of the Board of Directors

/s/ CHARLES J. MALLON  
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Charles J. Mallon  
Secretary

Philadelphia, Pennsylvania  
April 12, 2002

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RIGHT MANAGEMENT CONSULTANTS, INC.  
1818 Market Street  
33rd Floor  
Philadelphia, PA 19103

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS  
May 2, 2002

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Right Management Consultants, Inc., for use at our Annual Meeting of Shareholders which is scheduled to be held on Thursday, May 2, 2002, at 10:00 a.m. (EDT), at our headquarters, 1818 Market Street, 33rd Floor, Philadelphia, Pennsylvania. This Proxy Statement, the foregoing notice and the enclosed proxy are being sent to shareholders on or about April 12, 2002.

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### Commonly Asked Questions and Answers about the Annual Meeting

- Q. What am I voting on?
- A. 1. Election of eleven (11) directors for a one-year term.
2. Ratification of Ernst & Young LLP as Right Management Consultants, Inc.'s independent public accountants for fiscal year 2002.
3. Any other business that properly comes before the meeting for a vote.
- Q. Who is entitled to vote at the Annual Meeting, and how many votes do they have?
- A. Common shareholders of record as of the close of business on March 15, 2002 may vote at the Annual Meeting. Each share has one vote. There were 15,034,918 shares of common stock outstanding on March 15, 2002.
- Q. How do I vote?
- A. You must be present, or represented by proxy, at the Annual Meeting in order to vote your shares. Since many of our shareholders are unable to attend the Annual Meeting in person, we send proxy cards to all of our shareholders to enable them to be represented and to vote at the Annual Meeting.
- Q. What is a proxy?
- A. A proxy is a person you appoint to vote on your behalf. If you are unable to attend the Annual Meeting, we are seeking your appointment of proxies so that your Common Shares may be voted. You must complete and return the enclosed proxy card to have your shares voted by proxy.
- Q. By completing and returning this proxy card, who am I designating as my proxy?
- A. You will be designating Richard J. Pinola, our Chief Executive Officer and Chairman of the Board and Joseph T. Smith, our Vice Chairman of the Board, as your proxies. They may act together or individually on your behalf, and will have the authority to appoint a substitute to act as proxy.
- Q. How will my proxy vote my shares?
- A. Your proxy will vote according to the instructions on your proxy card.

We do not intend to bring any other matter for a vote at the Annual Meeting, and we do not know of anyone else who intends to do so. Your

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proxies are authorized to vote on your behalf, however, using their best judgment, on any other business that properly comes before the Annual Meeting.

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- Q. How do I vote using my proxy card?
- A. If you do not attend the Annual Meeting and vote in person, you may vote by returning the enclosed proxy card to us. To vote by mail, simply mark, sign, and date the enclosed proxy card, and return it in the enclosed postage-paid envelope. Alternatively, you may deliver your proxy card to us in person, by facsimile, or by a courier. If you hold your shares through a broker, bank, or other nominee, you will receive separate instructions from the nominee describing how to vote your shares.
- Q. Can I vote electronically?
- A. If you are a registered shareholder (that is, you hold your stock in certificate form), you may vote electronically through the Internet by following the instructions included with your proxy card. If your shares are held in "street name," please check your proxy card or contact your broker or nominee to determine whether you will be able to vote electronically.
- Q. How do I revoke my proxy?
- A. You may revoke your proxy at any time before your shares are voted at the Annual Meeting by:
- o Notifying our Corporate Secretary, Charles J. Mallon, in writing at 1818 Market Street, 33rd Floor, Philadelphia, PA 19103, that you are revoking your proxy;
  - o Executing a new proxy card; or
  - o Attending and voting by ballot at the Annual Meeting.
- Q. Is my vote confidential?
- A. Yes, only certain employees will have access to your proxy card. All comments remain confidential, unless you ask that your name be disclosed.
- Q. Who will count the votes?
- A. One of our officers will act as the inspector of election and will count the votes in conjunction with our transfer agent, StockTrans, Inc.
- Q. What constitutes a quorum?
- A. A majority of the outstanding shares, either present or represented by proxy, constitutes a quorum. As of March 15, 2002 there were 15,034,918 shares of common stock issued, outstanding, and entitled to vote at the

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Annual Meeting. A quorum is necessary in order to conduct the Annual Meeting. If you choose to have your shares represented by proxy at the

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Annual Meeting, you will be considered part of the quorum. If a quorum is not present at the Annual Meeting, the shareholders present in person or by proxy may adjourn the meeting to a date when a quorum is present. If an adjournment is for more than 30 days or a new record date is fixed for the adjourned meeting, we will provide notice of the adjourned meeting to each shareholder of record entitled to vote at the meeting.

Q. What vote is needed for the proposals to be adopted and how will my vote be counted?

A. With respect to Proposal 1, the election of directors, the eleven directors who receive the most votes will be elected. You may vote separately for, or withhold your vote separately for, each nominee. Votes that are withheld will not be included in the vote tally for the election of directors, and will have no effect on the results of the vote. Shareholders do not have the right to cumulate votes in the election of directors.

With respect to Proposal 2, the vote of a majority of the shares of shareholders are required to approve the ratification of Ernst & Young LLP as our independent public accountants for the fiscal year 2002. Abstentions and any shares as to which a broker or nominee indicates that it does not have discretionary authority to vote on a particular matter, will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum but as unvoted for purposes of determining whether the approval of shareholders has been obtained with respect to Proposal 2.

Q. What percentage of our Common Shares do the directors and officers own?

A. As of March 15, 2002, our directors and executive officers owned approximately 18.3% of our Common Shares. See the discussion under the heading "Principal Shareholders and Management's Holdings" on page 9 for more details.

Q. Who is soliciting my proxy, how is it being solicited, and who pays the cost?

A. The Board of Directors of Right Management Consultants, Inc. is soliciting proxies primarily by mail. In addition, proxies may also be solicited in person, by telephone, or facsimile. We will pay the cost of soliciting proxies. We will also reimburse brokerage houses and other custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation material to the owners of our common shares.

Q. When are Shareholder proposals for the year 2003 Annual Meeting due?

A. Shareholder proposals to be presented at our year 2003 Annual Meeting must be submitted in writing by December 1, 2002 to our Corporate Secretary, at 1818 Market Street, 33rd Floor, Philadelphia, PA 19103. You should submit any proposal by a method that permits you to prove

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the date of delivery to us. See the discussion under the heading "Shareholder Proposals" on page 30 for information regarding certain procedures with respect to shareholder proposals.

- Q. How may I obtain a copy of the Company's Form 10-K?
- A. You may request a copy of our Annual Report on Form 10-K for the year ended December 31, 2001, by writing to our Corporate Secretary at 1818 Market Street, Philadelphia, PA 19103.

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### Principal Shareholders and Management's Holdings

The following table sets forth each nominee for director, all directors and officers as a group and each shareholder who is known to own beneficially more than 5% of the outstanding Common Shares as of March 15, 2002.

Name of Shareholder -----	Number of Shares Beneficially Owned -----
FMR Corporation	2,019,575 (2)
Richard J. Pinola	1,645,857 (3)
T. Rowe Price Associates, Inc.	1,354,600 (4)
Joseph T. Smith	478,780 (5)
Frank P. Louchheim	173,680 (6)
John J. Gavin	87,503 (7)
Larry A. Evans	85,234 (8)
Frederick R. Davidson	56,192
John R. Bourbeau	46,316 (9)
James E. Greenway	24,561 (10)
Charles J. Mallon	20,063 (11)
Catherine Y. Selleck	19,287 (12)
Rebecca J. Maddox	12,601 (13)
Howard H. Mark	6,516 (14)
Keiichi Iwao	--
Oliver S. Franklin	--
Stephen Johnson	--
All Directors and Officers as a Group (23 persons)	2,750,444 (15)

\* Less than 1%

### Compliance with Section 16(a) of Securities Exchange Act of 1934

The rules of the SEC require that our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities, file with the SEC initial reports of ownership and reports of changes in ownership of Common Shares and other equity securities. Officers, directors and greater than ten percent shareholders are required by SEC regulations to furnish us with copies of all forms they file.

To our knowledge, based solely on our review of the copies of such



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reports furnished to us and written representations that no other reports were required during the fiscal year ended December 31, 2001, two initial reports of ownership by Mr. Iwao and Mr. Hayashi, former Chairman and Chief Executive Officer of Right WayStation, Inc., and eight reports of changes of ownership by four directors were not timely filed. The late filings of reports of changes of ownership include two reports by Mr. Davidson, reporting two indirect sales transactions, two reports by Mr. Evans, reporting a sale of shares directly owned by him and seven indirect sales transactions all occurring on the same day, two reports by Mr. Louchheim reporting five sales transactions, and two reports by Dr. Smye, former director, reporting three sales transactions.

### PROPOSALS TO BE VOTED UPON

#### Proposal 1: Election of Directors

After Dr. Smye's resignation in February 2002, our Board of Directors consists of eleven members. Ten of the current members have been nominated for re-election, and have agreed to serve a one-year term if elected. Keiichi Iwao has decided not to run for re-election. One new nominee, Stephen Johnson, is being proposed. If any nominee is unable to stand for election or re-election, as the case may be, which we do not expect, the Board may provide for a lesser number of directors or designate a substitute. If a substitute is designated, shares represented by proxies may be voted for a substitute nominee.

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The Board of Directors recommends a vote "FOR" each of the nominees:

Name	Director Since	Age	Position
Frank P. Louchheim	1980	78	Founding Chairman
Richard J. Pinola	1989	56	Chairman of the Board of Directors Executive Officer
Joseph T. Smith	1991	66	Vice Chairman of the Board of Directors
John J. Gavin	1999	45	President and Chief Operating Officer
Larry A. Evans	1980	59	Founding Principal
John R. Bourbeau	1995	57	President of Midwest Reemployment Inc., an Affiliate of the Company
Rebecca J. Maddox	1995	48	President of Rebecca Maddox Consultants
Catherine Y. Selleck	1995	68	Business Consultant
Frederick R. Davidson	1997	65	Chairman of Right Management Consultants
Oliver S. Franklin	2001	56	Executive Vice President of Right Management Consultants
Stephen Johnson	N/A	66	Chairman of Coutts Consulting Group

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Mr. Louchheim is one of our founders. From November 1980 until September 1987, he served as President, Chief Executive Officer and Chairman of our Board of Directors. He continued to serve as Chief Executive Officer and Chairman of the Board through December 1991. From January 1992 to December 1993, he served as the full-time Chairman of the Board of Directors. Effective January 1, 1994, Mr. Louchheim was appointed Founding Chairman and continues as a director.

Mr. Pinola was elected as a director by the Board in October 1989. Mr. Pinola is a Certified Public Accountant and joined Penn Mutual Life Insurance Company in 1969. He was appointed President and Chief Operating Officer in 1988, which position he held until his resignation in September 1991. Mr. Pinola was a financial consultant to various organizations from September 1991 until July

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1992, at which time he was appointed President and Chief Executive Officer of the Company. Effective January 1, 1994, Mr. Pinola was appointed Chairman of the Board of Directors and continues as Chief Executive Officer. Mr. Pinola also serves as a director of K-Tron International, a publicly held company.

Mr. Smith joined the Penn Mutual Life Insurance Company in 1963. In 1976, he was promoted to Vice President of Administration and Human Resources, which position he held until his resignation in 1980. From 1981 to 1984, Mr. Smith worked as an independent consultant offering a range of consulting services to businesses. He joined us as a Senior Consultant in Professional Services in August 1984 and, from August 1988 until September 1992 held the position of Regional Managing Principal of our Philadelphia office. Mr. Smith was elected as a Director in May 1991. From September 1992 through December 1993, Mr. Smith served as our Chief Operating Officer. Effective January 1, 1994, Mr. Smith was appointed President in which capacity he served until December 1998. Effective January 1, 1999, Mr. Smith was appointed Vice Chairman of the Board of Directors. Mr. Smith retired as an employee of the company on January 1, 2001, and continues as Vice Chairman of the Board of Directors.

Mr. Gavin was employed at Arthur Andersen LLP in Philadelphia for 18 years in which he served as the partner in charge of the manufacturing/distribution industries. Mr. Gavin joined us in December 1996 as Executive Vice President. In this capacity, Mr. Gavin was responsible for the overall marketing strategy and business development activities for our worldwide locations. Effective January 1, 1999, Mr. Gavin was appointed President and Chief Operating Officer. Also effective January 1, 1999, Mr. Gavin was elected a Director by the Board of Directors. Mr. Gavin is a member of the Board of Advisors for Temple University's Fox School of Business and he is a member of the Board of Directors of Global Health Ministry. Mr. Gavin is also a director of Opinion Research Corporation, which provides marketing research and services.

Mr. Evans was professionally involved in the international finance and venture capital industries, prior to May 1978. From May 1978 to November 1980, Mr. Evans was employed as an independent outplacement consultant for Bernard Haldane Associates, Inc., working with Mr. Louchheim. Since November 1980, Mr. Evans served as our Executive Vice President and a Director. From January 1990 until May 1995, Mr. Evans served as Regional Managing Principal of several of our offices. From May 1995 until December 1999, Mr. Evans worked in our

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corporate office together with our regional offices in marketing to major national and international accounts. Effective January 1, 2000, Mr. Evans was appointed to oversee one of our largest Key Executive Services practices. Mr. Evans retired as an employee of the company on January 1, 2001, at which point he founded Virtual Board of Advisors ("Virboa"), a company that provides assistance with acquisitions. Mr. Evans serves on various boards of both non-profit organizations and community associations. He also holds directorships with Knite, Inc., a high-tech ignition company, Eschoolmall, an internet educational procurement and learning site, and he is an advisor to Embedded Wireless Devices, a wireless solutions company.

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Mr. Bourbeau founded Midwest Reemployment Associates, Inc., our franchise affiliate, in 1981, where he currently serves as the Regional Managing Principal and which has offices in Southfield, Grand Rapids, Kalamazoo, Lansing and Midland, Michigan, as well as Toledo, Ohio. Mr. Bourbeau also serves as a board member for the State of Michigan Chamber of Commerce, Michigan Colleges Foundation, Detroit Historical Society, and is a life member of the Economic Club of Detroit.

Ms. Maddox is President and Founder of Rebecca Maddox Co. LLC, a consulting firm specializing in helping Fortune 1000 companies market and sell their products and services to women customers. Ms. Maddox is a Certified Public Accountant, holds an MBA in Finance from Columbia University and is the author of Inc. Your Dreams. Ms. Maddox serves on the Board of D-Code, a market research firm in Canada and served for six years on the Regional Advisory Board of PNC Bank.

Ms. Selleck spent many years with IBM, in various executive capacities. Subsequent to her positions with IBM, Ms. Selleck joined Metaphor, a software and services company, where she served as President and Chief Executive Officer. She is now an independent business consultant to information technology companies on a wide range of business issues. Ms. Selleck is a Trustee of Occidental College.

Mr. Davidson is the Chairman of Right Management Consultants Holdings, Pty. Ltd., formerly Right D&A Pty. Ltd., an Asia-Pacific career transition firm of which we acquired a fifty-one percent interest during 1997, and which is now owned 100% by us. Mr. Davidson was elected a Director by the Board of Directors on July 24, 1997. Mr. Davidson is Chairman of St. John Ambulance Australia (Victoria), Chairman of Cooperative Research Centre for Cochlear Implant and Hearing Aid Innovation, Chairman of Hearworks, Pty. Ltd., a Commander of the Order of St. John, and a member of the International Institute of Strategic Studies in London.

Mr. Franklin is an Executive Vice President with GS Capital Management, a private equity and venture capitalist firm. He joined GS Capital Management in early 2002. Prior to this, Mr. Franklin co-founded in 1998, RISA Investment Advisers, LLC ("RISA"), an investment firm focusing on the RISA Fund and RISA Business Finance. He served as the President of RISA until it was sold in early 2002. Prior to co-founding RISA, Mr. Franklin was the Senior Vice President at The Fidelity Management Trust Company, where he directed a unit that developed new institutional financial products. Also in 1998, The British Ambassador to the US appointed him Her Majesty's Honorary Consul in Philadelphia. In this position, he is responsible for promoting British diplomatic, investment and consular interest in the region. Mr. Franklin is a member of the Philadelphia Securities Association and The National Association of Securities Professionals.

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Mr. Johnson spent much of his career in the fibre and petrochemical industry. He held a position with AKZO-NOBEL for many years, where his concentrations included strategic planning and international operations. He entered the career consulting business in 1986 when he took the position of Senior Consultant with Coutts Consulting Group, Ltd. ("Coutts"). In 1987, Mr. Johnson was appointed Chief Executive Officer of Coutts, where his

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responsibilities included the management of operations and the development of the business. In 1987, Mr. Johnson became a Director of Coutts. Effective in 1996, he was appointed Chairman of the Board of Directors for Coutts.

### Committees of the Board of Directors

What are the current committees of the Board of Directors?

The Board of Directors has four committees: the Compensation and Options Committee, the Audit Committee, the Executive and Finance Committee and the Nominating Committee.

	Compensation and Options Committee	Audit Committee	Executive and Finance Committee
Mr. Louchheim			X
Mr. Pinola			X
Mr. Smith			X
Mr. Gavin			X
Mr. Evans			
Mr. Bourbeau		X	X
Ms. Maddox	X	X	
Ms. Selleck	X	X	
Mr. Davidson			
Mr. Franklin	X		

**COMPENSATION AND OPTIONS COMMITTEE:** This Committee's duties involve reviewing proposals made by the Chief Executive Officer to grant stock options, evaluating the rationale and expected contributions of the grantees to our future results, ensuring that compensation is at market levels and is supportive of our overall goals and objectives, and determining whether to approve stock option grants with any modifications it deems appropriate. This Committee is also responsible for remuneration agreements with the Chief Executive Officer and the President/Chief Operating Officer. Ms. Selleck serves as Chair of this Committee.

**AUDIT:** The Committee's principle function is to oversee our annual audit and financial reporting. Ms. Maddox serves as Chair of this Committee. The Board of Directors has adopted a written Audit Committee Charter, a copy of which is attached as Exhibit A.

**EXECUTIVE AND FINANCE COMMITTEE:** This Committee is available to meet when necessary at anytime and has the power of the Board of Directors in between the scheduled Board meetings.

**NOMINATING COMMITTEE:** This Committee recommends to the Board of Directors

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nominees for election or re-election as director at the next Annual Meeting of shareholders or for vacancies arising within the Board of Directors. The Nominating Committee will consider nominees recommended by shareholders, which should be submitted in writing to the Nominating Committee on or before the date

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specified under "Shareholder Proposals" below in order to be considered for the next Annual Meeting. The Nominating Committee is under no obligation to recommend any persons identified by shareholders as nominees to the Board of Directors. Mr. Louchheim is Chair of this Committee.

How many Board and Committee Meetings were held in 2001?

During 2001, the Board of Directors met seven times, one of which was a special meeting, the Compensation and Options Committee met six times, one of which was a special meeting, the Audit Committee met two times, and the Nominating Committee met once. The Executive and Finance Committee did not meet during 2001. Mr. Iwao attended three of the seven Board meetings that he was scheduled to attend during the year.

### Certain Relationships and Related Party Transactions

Midwest Reemployment Associates, Inc., ("Midwest"), the franchise business owned by Mr. Bourbeau, received approximately \$1,675,000 in fees from us during 2001 for services performed on our behalf. Midwest incurred approximately \$2,783,000 in royalties and fees payable to us for our services performed during 2001 on behalf of Midwest, including payments for reimbursable expenses and materials purchased from us by Midwest. The fees paid and received by Midwest were in accordance with our standard fee and royalty arrangement with all of our franchisees under our Affiliate Agreement.

In accordance with two separate consulting agreements, one for Mr. Smith and one for Mr. Evans, each effective January 1, 2001, we paid Mr. Smith approximately \$120,000 and we paid Mr. Evans approximately \$75,000 for the consulting services they provided to us during 2001. Per these consulting agreements, Mr. Smith and Mr. Evans were provided with the usage of an automobile or an automobile allowance. In addition, for their outstanding performance and numerous years of service to the Board of Directors, both Mr. Smith and Mr. Evans' stock options were extended beyond their retirement. For his efforts during 2001, Mr. Smith was awarded a \$50,000 bonus.

Effective January 1, 2001, we purchased an additional 31% interest in Right WayStation, a Japanese career transition and organizational consulting firm of which Mr. Iwao is a Director. This purchase gave us a controlling 51% interest in Right WayStation. We paid an aggregate purchase price of approximately \$9,540,000 to the shareholders of Right WayStation, of which Mr. Iwao received \$6,246,000. In connection with this purchase agreement, Mr. Iwao provides consulting services to Right WayStation under a consulting agreement. During 2001, Right WayStation paid Mr. Iwao approximately \$98,750 for his consulting services.

Effective January 1, 2002, we purchased from Mr. Iwao an additional 20% interest in Right WayStation, bringing our total ownership to 71%. We paid the total purchase price of approximately \$3,285,000 to Mr. Iwao. After this transaction, Mr. Iwao now owns 5 shares of Right WayStation, representing less than 1% of the total outstanding stock of Right WayStation.

On March 22, 2002, we purchased all of the shares of Atlas Group Holdings Limited ("Atlas"), the parent company of Coutts, of which Mr. Johnson was Chairman of the Board of Directors and a partial owner. Coutts is a London based career transition and organizational consulting firm with operations in Europe, Japan and Canada. This acquisition was valued at approximately \$105,000,000, including the costs of the transaction. The consideration consisted of a combination of cash, purchase price notes and funds we supplied to repay existing indebtedness of Atlas. The total of the cash and purchase price notes payable to the shareholders of Coutts was approximately \$59,011,000, of which Mr. Johnson received \$1,928,000. This consideration was payable to Mr. Johnson approximately \$61,000 in cash and approximately \$1,867,000 in a purchase price note.

## EXECUTIVE COMPENSATION

## Summary Compensation Table

The following table summarizes the compensation of the Chief Executive Officer and the four other most highly compensated executive officers for 2001 ("named officers"), as well as the compensation paid to each such individual for 2000 and 1999.

Name	Year	Annual Compensation		Long Term Common Shares Underlying Options
		Salary	Bonus	
Richard J. Pinola Chairman of the Board and CEO	2001	\$580,000	\$3,590,087	175,001
	2000	530,000	265,000	--
	1999	530,000	556,500	125,000
John J. Gavin President and COO	2001	\$385,000	\$1,540,934	62,501
	2000	350,000	140,000	100,000
	1999	350,000	301,875	60,000
James E. Greenway EVP - Western Group	2001	\$250,000	\$965,291	15,000
	2000	220,000	77,000	25,000
	1999	200,000	152,500	13,500
Howard H. Mark (2) EVP, e-Business	2001	\$190,000	\$748,621	15,000
	2000	32,096	20,000	11,250
	1999	144,970	--	3,375
Charles J. Mallon EVP and Chief Financial Officer	2001	\$190,000	\$733,621	15,000
	2000	175,000	61,250	56,250
	1999	128,333	61,333	19,688

## Stock Option Grants

The table below shows option grants made in 2001 to the named officers.

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Name -----	Individual Grants -----			
	Number of Underlying Options Granted in 2001 (1) -----	% of Total Options Granted to Employees in 2001 -----	Exercise Price Per Share -----	Expiration Date -----
Richard J. Pinola	37,500	6.0%	\$16.00	7/25/2011
	37,500	6.0%	\$21.94	10/07/2011
	100,001	16.0%	\$21.97	10/23/2011
John J. Gavin	18,750	3.0%	\$16.00	7/25/2011
	18,750	3.0%	\$21.94	10/07/2011
	25,001	4.0%	\$21.97	10/23/2011
James E. Greenway	7,500	1.2%	\$16.00	7/25/2011
	7,500	1.2%	\$21.94	10/07/2011
Howard H. Mark	7,500	1.2%	\$16.00	7/25/2011
	7,500	1.2%	\$21.94	10/07/2011
Charles J. Mallon	7,500	1.2%	\$16.00	7/25/2011
	7,500	1.2%	\$21.94	10/07/2011

Option Exercises and Year-end Option Value

The table below shows information concerning the exercise of stock options during 2001 by each of the named officers and the year-end value of the in-the-money unexercised options.

	Number of Securities Underlying Unexercised Options at 12/31/01 -----			
	Shares Acquired on Exercise (#) -----	Value Realized (\$) -----	Exercisable -----	Non-Exercisable -----
Richard J. Pinola	--	--	983,382	268,751
John J. Gavin	138,750	\$1,812,575	18,750	332,501
James E. Greenway	22,875	\$245,703	7,500	81,375
Howard H. Mark	--	--	3,750	22,500
Charles J. Mallon	11,157	\$181,965	5,625	77,813

Retirement Compensation

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In addition to our defined contribution savings plan under Section 401(K) of the Internal Revenue Code, and our non-qualified deferred compensation plan for certain employees (see Compensation and Options Committee Report on Executive Compensation), effective January 1, 2000, the Board of Directors approved a non-qualified Supplemental Executive Retirement Plan for executive officers and other key employees. The purpose of this plan is to provide supplemental income benefits to plan participants or their survivors upon participants' retirement or death. This plan was amended effective January 1, 2002, to change the defined percentage of the average final compensation for benefits payable to Mr. Pinola and Mr. Gavin and to change the number of years of service for participants in the plan, with the exception of Mr. Pinola and Mr. Gavin.

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The following tables set forth the estimated aggregate annual benefits payable under our Supplemental Executive Retirement Plan, to persons in specified average final compensation and credited service classifications upon retirement at age 65. The first table relates to Mr. Pinola, and Mr. Gavin, whose benefits payable are 50% of their average final compensation, and are not service-related, except for vesting purposes. The second table relates to all other participants whose benefits payable are 20% of their average final compensation after ten years of service, and a pro-rata reduction for total service less than ten years, as well as for future service less than five years. Amounts shown in these tables do not include deductions for U.S. Social Security benefits per terms of this plan.

Average Final Compensation	Estimated Aggregate Annual Retirement Benefit Assuming Credited Service of:				
	15 Years	20 Years	25 Years	30 Years	35
\$335,000	\$167,500	\$167,500	\$167,500	\$167,500	\$167,500
385,000	192,500	192,500	192,500	192,500	192,500
435,000	217,500	217,500	217,500	217,500	217,500
485,000	242,500	242,500	242,500	242,500	242,500
535,000	267,500	267,500	267,500	267,500	267,500
585,000	292,500	292,500	292,500	292,500	292,500
635,000	317,500	317,500	317,500	317,500	317,500
685,000	342,500	342,500	342,500	342,500	342,500

The rounded number of years of credited service for Mr. Pinola and Mr. Gavin are 10 and 5, respectively.

Average Final Compensation	Estimated Aggregate Annual Retirement Benefit Assuming Credited Service of:				
	15 Years	20 Years	25 Years	30 Years	35
\$150,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
200,000	40,000	40,000	40,000	40,000	40,000



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250,000	50,000	50,000	50,000	50,000	5
300,000	60,000	60,000	60,000	60,000	6
350,000	70,000	70,000	70,000	70,000	7
400,000	80,000	80,000	80,000	80,000	8
450,000	90,000	90,000	90,000	90,000	9
500,000	100,000	100,000	100,000	100,000	10
550,000	110,000	110,000	110,000	110,000	11
600,000	120,000	120,000	120,000	120,000	12

The rounded number of years of credited service for Mr. Greenway, Mr. Mark and Mr. Mallon are 4, 4 and 5, respectively.

Compensation, for the purposes of determining retirement benefits, consists of a participant's salary. This is the same salary as listed on the Summary Compensation Table above. Severance pay, contingent payments and other

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forms of special remuneration are excluded. For 2001, compensation for purposes of determining retirement benefits for the named officers are the same as the amounts shown in the Executive Compensation table.

Average final compensation represents a defined percentage of an average of a participant's three highest consecutive annual salaries for the participant's credited service. Participants, with the exception of Mr. Pinola and Mr. Gavin, vest in their accrued retirement benefit upon completion of five years' service. Mr. Pinola's and Mr. Gavin's accrued retirement benefit vests at 5% for each year of service plus another 10% for each year of plan participation. The benefits shown in the table above are calculated based on a lifetime with a guaranteed minimum of ten years.

Employment and Change in Control Agreements

Effective January 1, 2002, we and Mr. Pinola entered into a second amendment to Mr. Pinola's Employment Agreement dated December 12, 1995. The term of Mr. Pinola's employment was extended for three years from January 1, 2002 to December 31, 2004, and his base salary was increased to \$580,000 per year.

Under Mr. Pinola's amended agreement, we will pay to Mr. Pinola annually as incentive compensation a cash bonus based on our financial performance for that year in such amounts, as are determined by our Board of Directors or its Compensation and Options Committee. Mr. Pinola is also entitled to participate in any profit sharing, retirement plans and insurance programs made available to certain other employees.

The amended agreement also entitles Mr. Pinola to participate in a deferred compensation plan to which 5% of his compensation, including base salary and bonuses, is credited yearly. Mr. Pinola's deferred compensation account balance vests at the rate of 10% per year, beginning at age 47. The account balance is payable as a life annuity (based on specified mortality tables) in equal monthly installments with interest on the unpaid balance upon his termination of service with us (except for death or if he is discharged for cause) on or after age 62, subject to earlier payment in the event of death or disability prior to termination of service, termination by us without cause and under certain circumstances relating to a change in control. In the event there is a change in control, we shall establish a trust and shall, from time to time, transfer into the trust sufficient assets to meet our obligation to pay the

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deferred compensation benefits to Mr. Pinola and his beneficiaries. Also, if Mr. Pinola's employment is terminated within two years after the change in control, he shall be entitled to begin receiving the deferred compensation benefits as if he had reached his normal retirement date prior to termination.

Mr. Pinola's employment agreement is renewable for successive one year terms beginning January 1, 2004 unless either party gives written notice of non-renewal to the other at least 120 days prior to the expiration of the term. Mr. Pinola's employment will not be renewed under this agreement on or after December 31 of the calendar year in which he reaches age 65. If Mr. Pinola's employment is terminated without cause, his employment is not renewed at the end of the term of his employment agreement, or if Mr. Pinola terminates his employment as a result of various reasons specified in the agreement, he will be

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entitled to severance compensation equal to the greater of \$580,000 or his total salary and cash bonus paid during the 12 month period immediately preceding the termination. This amount will be payable over the longer of the remaining term of the agreement or 12 months from the date of termination. Upon certain changes in control (as defined in the agreement), Mr. Pinola may, upon written notice to us within 60 days thereafter, elect to either (a) continue his employment for a period equal to the greater of the current term or a period which expires two years after the date of the change in control or (b) terminate this employment and receive severance compensation. In either case, the annual compensation payable to him shall not be less than the greater of the total amount of the base salary and cash bonus paid to him during the 12 months immediately preceding the change in control or \$580,000.

Effective January 1, 2002, we entered into an amendment to Mr. Gavin's Employment Agreement, dated January 1, 1999. The terms of Mr. Gavin's agreement are similar to those of Mr. Pinola's, except that Mr. Gavin's base salary per year will be \$385,000, and any component of his compensation determined by his base salary is based upon \$385,000. Mr. Gavin is also entitled to participate in a deferred compensation plan with similar terms as outlined above for Mr. Pinola, except that Mr. Gavin vests in his plan at the rate of 20% per year, beginning at age 61.

To assist in retaining key members of our management, the Board of Directors adopted in February 1997 a policy to provide for the potential payment of severance to all Executive Vice Presidents in the event of a change in control. Under this policy, the Executive Vice Presidents would be entitled to a severance payment payable over two years if their employment was involuntarily terminated within eighteen months of a change in control. The total amount payable annually would not be less than the greater of: (1) the total amount of base salary and incentive payments paid during the calendar year immediately preceding the change in control; or (2) the annualized amount of the Executive Vice President's then current salary as of the date of the change of control if the respective Executive Vice President did not work the full calendar year immediately preceding the change in control. Under this policy, a change in control includes the sale of a controlling interest in Common Shares, the sale of all or substantially all of our assets, or a merger or consolidation where the surviving entity is not controlled by our present management.

### Compensation of Directors

For 2001, we paid all directors who were not officers or employees \$17,000 per year as a director's fee, plus \$750 for each Board of Directors

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meeting attended and \$750 for each Committee meeting attended plus reasonable out-of-pocket expenses for attending such meetings. We also paid the Audit Committee Chair and the Compensation and Options Committee Chair \$1,500 and \$2,500, respectively, per year.

In addition, pursuant to our 1995 Directors' Stock Option Plan, each director who was never an officer or employee received a grant of 7,500 options on December 31, 2001. The first one-third of such options becomes exercisable on December 31, 2002. The options vest on a cumulative basis, one-third each year,

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and they expire on December 30, 2011. These options were granted at an exercise price equal to the closing price of our Common Shares on the NASDAQ as of the date of grant of \$17.30.

Directors who have served as an officer, but who were no longer employed with us during 2001, received a grant of 7,500 options on January 4, 2002 under our 1993 Stock Incentive Plan. The first one-third of such options becomes exercisable on January 4, 2003. The options vest on a cumulative basis, one-third each year, and they expire on January 3, 2012. These options were granted at an exercise price equal to the closing price of our Common Shares on the NASDAQ as of the date of grant of \$16.14.

### Independent Public Accountants

For the fiscal year ended, December 31, 2001, our independent public accountants were Arthur Andersen LLP. Representatives of Arthur Andersen LLP will be available at the 2002 Annual Meeting to address questions.

### Audit and Non-Audit Fees

Fees paid to Arthur Andersen LLP, our independent public accountants, during 2001 for audit services were \$278,218. All other fees paid during 2001 were \$538,026, including audit-related fees of \$125,947 and other fees of \$412,079. Audit-related fees include benefit plan audits, acquisition due diligence, accounting consultation, risk consultation, other audit-related projects and consents. Other fees were primarily for tax services. There were no financial information systems design and implementation fees paid to Arthur Andersen LLP during 2001.

### AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors is composed of three directors listed in this report. This Committee's principle function is to oversee our annual audit and financial reporting. This Committee recommends to the Board of Directors, subject to shareholder ratification, the selection of our independent public accountants.

Management is responsible for our internal controls and the financial reporting process. The independent public accountants are responsible for performing an independent audit of our consolidated financial statements in accordance with generally accepted auditing standards and to issue a report thereon. This Committee's principle function is to oversee this annual audit and financial reporting.

In connection with the appointment of members to this Committee, the Board considered the new requirement of the NASD that members of this Committee be independent directors. Ms. Maddox and Ms. Selleck are independent directors. In appointing Mr. Bourbeau to this Committee, the Board recognized his lack of independent director status, but determined that his membership was required in our best interests and the interests of our shareholders. The Board recognizes that the appointment of Mr. Bourbeau is exceptional and under limited circumstances. It was acknowledged that Mr. Bourbeau is the controlling shareholder of Midwest, our affiliate. Mr. Bourbeau is not employed directly by us. Mr. Bourbeau holds a degree in Business Administration from Wayne State University. It is the opinion of the Board that Mr. Bourbeau's relationship with the Company would not interfere with the exercise of his judgement as a member of this Committee, and that he is financially literate with background and experience helpful to the work of this Committee. Specifically, Mr. Bourbeau's knowledge of our operations, as the chief executive officer of an affiliate, is deemed a benefit. In addition, Mr. Bourbeau's long-standing service on this Committee was noted and this prior service provides a valuable source of continuity.

The Board also feels that Mr. Bourbeau's continuation on this Committee is consistent with the policy of having a chief executive officer of one of our affiliates serve on the Board and on certain key committees. This has been our policy since our founding. The decision to reappoint Mr. Bourbeau was reviewed by our legal counsel who concurred in the permissibility of the decision in light of the above factors.

In this context, the Committee has met and held discussions with management and the independent public accountants. Management represented to the Committee that our consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Committee has reviewed and discussed the consolidated financial statements with management and the independent public accountants. This Committee discussed with the independent public accountants matters required to be discussed by Statement on Auditing Standards No. 61 (Communications with Audit Committees).

The independent public accountants also provided to the Committee the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Committee discussed with the independent public accountants their independence.

Based upon this Committee's discussion with management and the independent public accountants and the Committee's review of the representation of management and the report of the independent public accountants to this Committee, this Committee recommended that the Board of Directors include the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2001 filed with the SEC. This Committee also recommended the appointment of Ernst & Young LLP to serve as our independent public accountants for fiscal year 2002.

Audit Committee  
Rebecca J. Maddox, Chair  
Catherine Y. Selleck  
John R. Bourbeau

COMPENSATION AND OPTIONS COMMITTEE REPORT  
ON EXECUTIVE COMPENSATION

The Compensation and Options Committee of the Board of Directors is comprised of non-employee directors listed in this report. This Committee is responsible for overseeing management's recommendations on executive compensation and stock option proposals, policies, and programs. In addition, this Committee makes yearly recommendations to the Board of Directors, as to the compensation to be paid to the Chief Executive Officer.

Compensation Philosophy

This report reflects our compensation philosophy as adopted by this Committee and endorsed by the Board of Directors. Our executive compensation programs are intended to provide our executives and managing principals with competitive market salaries and the opportunity to earn incentive compensation related to performance expectations identified by management and approved by the Board of Directors. The broad objectives of our executive compensation program, are to:

- (1) Support and reinforce our business strategy and link pay to shareholder value;
- (2) Align compensation with the goals and key performance measures of the business;
- (3) Attract and retain high quality executives and managing principals; and
- (4) Reward such employees for superior performance, as measured by financial results and key strategic achievements.

A significant portion of executive pay is variable, uncapped, and is tied to improvement in earnings per share (EPS) and, in the case of group executives and regional managing principals, to their region's and group's operating performance. This policy reflects management's belief that continuous improvement in EPS and growth in group revenue and operating income directly contributes toward creating shareholder value through the potential of increasing our stock price.

Pay Positioning

This Committee's executive compensation program is constructed to provide an opportunity for compensation, through the three components described below (base salaries, annual incentive compensation and long-term incentives), to vary with performance relative to a peer group of professional services companies. Competitive levels of pay for purposes of compensation comparison are provided periodically by our staff and by compensation consultants' published surveys, outside consulting firms and by the review of comparable public companies' executive compensation disclosures in their annual proxy statements. The primary companies used in the compensation comparison are other publicly held consulting and service firms, although privately-held professional services companies of similar size are also considered in determining pay level opportunity.

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### Pay Mix and Measurement For Executives

The compensation of executives currently includes base salary, annual incentive compensation and stock option awards. This Committee considers the total compensation of the Chief Executive Officer, the most highly compensated officers and the other executives in reviewing each element of compensation. In general, the proportion of an executive's incentive compensation increases with the executive's level of responsibility. Executives also receive various benefits, including life, medical, and disability insurance, similar to those generally available to all of our employees.

#### Base Salaries

This Committee, based on management's recommendations, seeks to set base salaries for our executives at levels that are competitive for executives with comparable roles and responsibilities within other comparison companies. We maintain an executive salary administration program which uses ongoing internal and periodic external comparisons to set salary ranges at or around the median levels of the comparison companies.

Individual executive salaries are reviewed annually. Annual salary adjustments are determined by a subjective evaluation of: (1) the position's responsibilities, (2) competitive market rates, (3) strategic importance of the position, and (4) individual performance and contributions. The annual salaries for executives (other than the CEO and the President/COO whose salaries are evaluated by the Committee with the Board of Directors) are approved by this Committee following a review with the CEO and Chief Operating Officer.

#### Annual Incentive Compensation

This Committee administers an annual cash incentive plan for executives. The annual cash incentive plan reflects our belief that executives' contributions to shareholder value come from maximizing earnings and the annual incentive payments to executives are made upon the achievement of annual corporate financial objectives (expressed as a post-incentive EPS goal) that reflect targeted annual growth. Individual award targets are established at the beginning of the year and are based on an individual's position and contribution to our results. Awards are increased or decreased for achievement that is above or below target levels. We exceeded our 2001 EPS target by 77% which resulted in corporate executive officers receiving incentive awards higher than their target amount. In addition, each executive is measured annually against qualitative criteria selected to provide incentives for performance towards strategic initiatives. Achievement or failure to achieve these criteria as recommended by our CEO and COO may increase or decrease the individual's annual incentive amount by up to 20%. The Board of Directors and the Committee review similar criteria for our CEO and COO with the ability to increase or decrease the individual's annual incentive compensation by up to 20% for achievement or failure to achieve these goals. No adjustment has ever been made to incentive pay for any executive.

In addition to the incentive to achieve the EPS goal, certain executives and managing principals responsible for team region and/or group performance are rewarded in part based on the achievement of regional and/or group revenue and income targets. No awards are made unless a threshold regional and/or group revenue target level is achieved that generally reflects significant growth over the prior year.

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### Long-Term Incentives

We provide executives with the opportunity to earn annual stock options in order to retain and motivate them to improve long-term stock values. Annual grants of stock options are made to executives based on a market analysis of long-term incentive levels within a peer group of companies. The annual grants are intended to reflect the individuals' respective responsibilities, as well as the actual and expected contribution of the individuals to our long-term success.

Stock options are granted only if we achieve our annual EPS target. In order for group executives and regional managing principals to receive stock options, their group must achieve its operating income target for the preceding year, in addition to us achieving our annual EPS target. Grants vest in equal amounts over a three-year period and are exercisable over a ten-year period. This Committee reviews and establishes the grants for all executive officers.

Since we exceeded our EPS target for 2001 and each group met their respective income targets, accordingly, stock options were granted to all eligible employees, including managing principals.

### Retirement Compensation

The intent of this Committee's retirement compensation policy is to provide employees and executives with certain tax-qualified retirement benefits. We maintain a defined contribution savings plan available to substantially all employees, including executives, under Section 401(K) of the Internal Revenue Code. Under this plan, we contribute 25% of the participating employee's contribution. Employee contributions are generally limited to 10% of their compensation, subject to Internal Revenue Code limitations. We also provide discretionary contributions if we meet or exceed our EPS target. A discretionary contribution of an additional 12.5% of the participating employee's contribution was made for 2001 as we exceeded our EPS target.

In addition, we provide a non-qualified creditor exempt salary savings plan to eligible employees to help them save for retirement. Under the plan, participants may contribute an elected percentage of their annual cash compensation. Effective August 2001, we amended the plan where we will contribute 25% of the participating employee's contribution. Similar to our defined contribution 401(K) savings plan, we also provide discretionary contributions under this non-qualified savings plan if we meet or exceed our EPS target. A discretionary contribution of an additional 12.5% of the participating employee's contribution was made for 2001 as we exceeded our EPS target.

Effective January 1, 2000, the Board of Directors approved a non-qualified Supplemental Executive Retirement Plan for executive officers and other key employees for the purpose of providing supplemental income benefits to plan participants or their survivors upon participants' retirement or death. We have established and maintain a grantor "rabbi" trust for the purpose of accumulating funds with which to meet our future obligations under the plan. Although the trust is irrevocable and assets contributed to the trust can only be used to pay such benefits with certain exceptions, the benefits under the plan remain our obligations. We have purchased company-owned life insurance policies for its benefit on the lives of certain participants estimated to be sufficient to recover, over time, the full cost of the benefits provided plus

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the cost of insurance.

We also have non-qualified deferred compensation plans for Mr. Pinola, Mr. Smith and Mr. Gavin. Upon his retirement and effective January 1, 2001, Mr. Smith began receiving payments in accordance with this plan. The details of this plan for Mr. Pinola and Mr. Gavin were described under the section "Employment and Change in Control Agreements" previously mentioned in this proxy statement.

### Section 162 (m)

Section 162(m) of the Internal Revenue Code generally imposes a \$1,000,000 limit on the deductibility of certain compensation that it pays to certain executive officers unless certain requirements are met. Compensation attributable to options granted under the various stock option plans currently in effect is expected to qualify for deductibility. This Committee monitors the effect of this section on the deductibility of such compensation and intends to optimize the deductibility of such compensation to the extent deductibility is consistent with the objectives of the executive compensation program. This Committee, however, intends to weigh the benefits of full deductibility with the objectives of the executive compensation program and, if this Committee believes to do so is in our best interests and the interests of our shareholders, we will make compensation arrangements that may not be fully deductible due to this section.

During 2001, the provisions of this section will result in a portion of the incentive compensation paid to Mr. Pinola for 2001 to be non-deductible. The Committee believes the compensation to Mr. Pinola reflects its policies as stated in this report. The Committee also notes that the Company's 2001 Operating Plan provided for cash compensation for Mr. Pinola to be approximately at the limits imposed by Section 162 (m). The variable cash compensation for 2001 reflected the fact that the actual EPS for 2001 exceeded the target EPS by 77%. In general, bonuses for all of our employees, all of which are performance based, also reflected the exceptional results for 2001.

### Chief Executive Officer Compensation

The principles guiding compensation for our Chief Executive Officer are substantially the same as those set forth for other executives as previously described in this report. During 2001, our most highly compensated officer was Richard J. Pinola, Chairman of the Board and CEO. Mr. Pinola's performance was reviewed by the Committee which made recommendations to the Board regarding his annual cash compensation (salary plus annual incentive) and approved his long-term incentive awards.

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In accordance with Mr. Pinola's Employment Agreement noted previously in this report, Mr. Pinola's annual base salary during 2001 was \$580,000. Mr. Pinola received additional compensation based on the Company's final 2001 results.

Compensation and Options Committee  
Catherine Y. Selleck, Chair  
Rebecca J. Maddox  
Oliver Franklin

### Compensation Committee Interlocks and Insider Participation in Compensation

Mr. Pinola, our Chief Executive Officer and Chairman, makes general



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recommendations to and reviews with the Compensation and Options Committee the compensation of our executive officers, other than his own. This information is carefully considered by this Committee. Except for this, during 2001, there were no interlocking relationships between any of our executive officers and any entity whose directors or executive officers serve on the Board of Directors' Compensation and Options Committee, nor did any current or past officers serve on the Compensation and Options Committee. Except as discussed in the section "Certain Relationships and Related Party Transactions" with respect to the transactions with Midwest, the franchise owned by Mr. Bourbeau, and with respect to the consulting agreements made with Mr. Smith and Mr. Evans, and with respect to the purchase of Right WayStation, of which Mr. Iwao was a Director and is partial owner, and with respect to the purchase of Coutts, of which Mr. Johnson was Chairman of the Board of Directors and partial owner, no member of any committee of the Board of Directors in 2001 had any relationship with us other than as a director and member of such committee.

### COMMON SHARES PERFORMANCE

The line graph set forth below compares for the period December 31, 1996 through December 31, 2001, the cumulative return on our Common Shares based on the market price of the Common Shares, with the cumulative return (assuming dividend reinvestment) of common stock listed on the Russell 2000 Index, and the common stock issued by companies with SIC Code: 8742, Management Consulting Services Index. The SIC Code Index was selected primarily because it is representative of our professional service business and the Russell 2000 Index was selected because it represents a comparable market capitalization. We believe the SIC Code Index and the Russell 2000 Index compare effectively with us based on the selection criteria mentioned above.

Comparison of a 5-year Cumulative Total Return Among Right Management Consultants, Inc., SIC Code Index and Russell 2000 Index

	12/31/96 -----	12/31/97 -----	12/31/98 -----	12/31/99 -----	12/31/00 -----	12/31/01 -----
Company	\$100.00	\$ 57.30	\$ 66.29	\$ 51.69	\$70.79	\$100.00
SIC Code	100.00	117.10	128.70	141.44	69.61	100.00
Russell 2000	100.00	122.34	118.91	142.21	136.07	100.00

Assumes \$100 Invested on December 31, 1996 and All Dividends Reinvested

### Proposal 2: Ratification of Appointment of Independent Public Accountants

While we have no dispute with Arthur Andersen LLP, the Audit Committee considered other independent accountants in addition to Arthur Andersen LLP for appointment as our auditor for fiscal year 2002. Our Board of Directors, based on the recommendation of the Audit Committee and subject to ratification by the shareholders at our Annual Meeting, has approved the appointment of Ernst & Young LLP as our independent accountants for fiscal year 2002. If the shareholders do not ratify this appointment by the affirmative vote of a majority of shares present in person or represented by proxy at the Meeting,

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other independent public accountants will be considered by the Board of Directors upon recommendation of the Audit Committee.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT PUBLIC ACCOUNTANTS.

### OTHER BUSINESS

The Board of Directors does not know of any further business to be presented at the Meeting. However, should any other matter requiring a vote the shareholders arise, the persons appointed by the enclosed proxy intend to vote on those matters in accordance with their judgement as to our best interests.

### Shareholder Proposals

Shareholder proposals for the 2003 Annual Meeting of Shareholders must be received by December 1, 2002 to be considered for inclusion in our 2003 Proxy Statement. At the 2003 Annual Meeting of Shareholders, Management will have discretionary authority to act upon such matters as may be brought before the Meeting as to which written notice was not received on or before February 20, 2003.

### Annual Report on Form 10-K

We file an Annual Report on Form 10-K with the SEC. Shareholders may obtain a paper copy of this report, including the financial statements and schedules, without charge, by writing to Mr. Paul Straub, Vice President and Corporate Controller, Right Management Consultants, Inc., 1818 Market Street, 33rd Floor, Philadelphia, PA 19103.

The Board of Directors urges shareholders to attend the Meeting. Whether or not you plan to attend the Meeting, shareholders are asked to complete, date, sign and return the enclosed proxy promptly in the accompanying envelope. Shareholders who attend the Meeting may vote their shares personally even though they have sent in their proxies.

By Order of the Board of Directors

/S/ CHARLES J. MALLON

Charles J. Mallon  
Secretary

Philadelphia, PA  
April 12, 2002

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### EXHIBIT A

#### THE AUDIT COMMITTEE CHARTER

Function, Scope, Duties and Responsibilities

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### A. Functions

Primary responsibility for the Company's financial reporting rests with the management, overseen by the Board of Directors. The principal function of the Audit Committee is to assist the Board of Directors in carrying out this oversight responsibility. This function is performed by gathering information sufficient for the knowledgeable review and understanding of reports and recommendations of the management and independent outside auditors. In turn, the Committee should aid in the transmission of these reports to the Board.

### B. Scope

The Committee shall be composed of Outside Directors, one of whom will be its Chairman. The Chairman and Chief Executive Officer, President and Chief Financial Officer shall work closely with the Audit Committee on the formulation of its recommendations. The Committee will report to the full Board on its activities.

### C. Duties and Responsibilities

The Audit Committee is expected to:

1. Review, examine and discuss with management the reports and recommendations of the independent auditors and follow up the implementation of their suggestions.
  2. Ensure the auditors full and direct access to the Board through the Audit Committee should they feel it is needed and it cannot be arranged properly through the Chairman of the Board.
  3. Conduct an executive session with the independent auditors at least once per year.
  4. Review proposed audit coverage with the independent auditors and Chief Financial Officer. This should include their fees for the Audit engagement.
  5. Review the Company's internal and financial controls and keep the Board informed through reports of significant control issues.
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6. Evaluate the performance of the independent auditors and recommend their engagement to the Board.
  7. Review the Company's legal counsel matters which may have a significant impact on the Company's financial statements.
  8. Review Company policies and procedures for a regular review of officers' expenses and perquisites and, where appropriate, review a summary of expenses and perquisites at least annually.
  9. Review releases of financial information to the public including Form 10-K, 8K, the Annual Report and other reports

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as requested.

10. Review and approve the plan of internal audit.
11. Review compliance with the Company's Code of Conduct at least annually.

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RIGHT MANAGEMENT CONSULTANTS, INC.  
PROXY SOLICITED BY THE BOARD OF DIRECTORS

Annual Meeting of Shareholders -- May 2, 2002

The undersigned shareholder of RIGHT MANAGEMENT CONSULTANTS, INC., revoking all previous proxies, hereby constitutes and appoints RICHARD J. PINOLA and JOSEPH T. SMITH, and each of them acting as individuals, as the attorney and proxy of the undersigned, with full power of substitution, for and in the name and stead of the undersigned, to attend our Annual Meeting of Shareholders to be held on Thursday, May 2, 2002, at 10:00 A.M. at our headquarters, 1818 Market Street, 33rd Floor, Philadelphia, Pennsylvania, and to vote all Common Shares which the undersigned would be entitled to vote if personally present at the Meeting, and at any adjournment or postponement thereof; provided that said proxies are authorized and directed to vote as indicated with respect to the following matters:

1. / / FOR all nominees for director named below.  
/ / WITHHOLD AUTHORITY to vote for all nominees for director named below.  
/ / FOR all of the nominees for director named below, except WITHHOLD AUTHORITY to vote for the nominee(s) whose name(s) is (are) lined through.

Nominees: FRANK P. LOUCHHEIM, RICHARD J. PINOLA, JOSEPH T. SMITH, JOHN J. GAVIN, LARRY A. EVANS, JOHN R. BOURBEAU, REBECCA J. MADDOX, CATHERINE Y. SELLECK, FREDERICK R. DAVIDSON, OLIVER S. FRANKLIN AND STEPHEN JOHNSON

2. / / FOR the ratification of the selection by the Board of Directors of Ernst & Young LLP, as our independent public accountants for the current fiscal year.  
/ / AGAINST  
/ / ABSTAIN
3. In their discretion, the proxies will vote on such other business as may properly come before the Meeting.

This Proxy when properly executed will be voted in the manner directed herein by the undersigned shareholders. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED "FOR" THE NOMINEES FOR DIRECTOR AND FOR PROPOSAL 2 REFERRED TO IN THIS PROXY. This proxy also delegates discretionary authority to vote with respect to any other business which may properly come before the Meeting or any adjournment or postponement thereof.

THE UNDERSIGNED HEREBY ACKNOWLEDGES RECEIPT OF THE ANNUAL REPORT, NOTICE OF MEETING AND THE PROXY STATEMENT FURNISHED IN CONNECTION THEREWITH. The undersigned also hereby ratifies all that the said attorneys and proxies may do by virtue hereof and hereby confirms that this proxy shall be valid and may be voted whether or not the shareholder's name is signed as set forth below or a

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seal is affixed or the description, authority or capacity of the person signing is given or other defect of signature exists.

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NOTE: PLEASE MARK, DATE AND SIGN THIS PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE. Please sign this proxy exactly as name appears in address below. If shares are registered in more than one name, all owners should sign. If signing in a fiduciary or representative capacity, such as attorney-in-fact, executor, administrator, trustee or guardian, please give full title and attach evidence of authority. Corporations please sign with full corporate name by a duly authorized officer and affix the corporate seal.

Dated: \_\_\_\_\_, 2002

\_\_\_\_\_(SEAL)  
(Shareholder's Signature)

\_\_\_\_\_(SEAL)  
(Shareholder's Signature)

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