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**Spencer Stuart
International P/S**
Hammerensgade 1, 3
1267 København K
Central Business Registration No
34058113

Annual report 2016/17

The Annual General Meeting adopted the annual report on 29.01.2018

Chairman of the General Meeting

Name: Michael Vad

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Entity details

Entity

Spencer Stuart International P/S
Hammerensgade 1, 3
1267 København K

Central Business Registration No: 34058113
Registered in: København
Financial year: 01.10.2016 - 30.09.2017

Board of Directors

Keith Michael Winter
Valerie Harper
Michael Vad

Executive Board

Michael Vad
Kåre Sand
Tobias Petri

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Spencer Stuart International P/S for the financial year 01.10.2016 - 30.09.2017.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2017 and of the results of its operations for the financial year 01.10.2016 - 30.09.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

København, 29.01.2018

Executive Board

Michael Vad

Kåre Sand

Tobias Petri

Board of Directors

Keith Michael Winter

Valerie Harper

Michael Vad

Independent auditor's report

To the shareholders of Spencer Stuart International P/S

Opinion

We have audited the financial statements of Spencer Stuart International P/S for the financial year 01.10.2016 - 30.09.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2017 and of the results of its operations for the financial year 01.10.2016 - 30.09.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

København, 29.01.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Flemming Larsen

State Authorised Public Accountant

Identification number (MNE) 27790

Management commentary

Primary activities

The objective of the Company's activities is to conduct an executive recruitment business as well as consulting and management services to companies with such activities as well as any other related business.

Development in activities and finances

Profit for the year amounts to DKK 2.068 thousand. Results are in line with expectations.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016/17

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2014/15 DKK'000</u>
Gross profit		36.085.371	29.996
Staff costs	1	(33.446.012)	(28.754)
Depreciation, amortisation and impairment losses		<u>(489.425)</u>	<u>(391)</u>
Operating profit/loss		2.149.934	851
Other financial income		78.466	14
Other financial expenses		<u>(160.195)</u>	<u>(272)</u>
Profit/loss for the year		<u>2.068.205</u>	<u>593</u>
Proposed distribution of profit/loss			
Retained earnings		<u>2.068.205</u>	<u>593</u>
		<u>2.068.205</u>	<u>593</u>

Balance sheet at 30.09.2017

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2014/15 DKK'000</u>
Other fixtures and fittings, tools and equipment		844.483	1.257
Leasehold improvements		791.366	817
Property, plant and equipment	2	<u>1.635.849</u>	<u>2.074</u>
Fixed assets		<u>1.635.849</u>	<u>2.074</u>
Trade receivables		12.040.358	9.633
Receivables from group enterprises		1.043.629	7.476
Other receivables		726.382	696
Prepayments		152.697	185
Receivables		<u>13.963.066</u>	<u>17.990</u>
Cash		<u>20.386.421</u>	<u>6.910</u>
Current assets		<u>34.349.487</u>	<u>24.900</u>
Assets		<u>35.985.336</u>	<u>26.974</u>

Balance sheet at 30.09.2017

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2014/15 DKK'000</u>
Contributed capital	3	560.000	560
Retained earnings		13.239.435	11.172
Equity		13.799.435	11.732
Trade payables		385.752	433
Payables to group enterprises		5.276.630	3.073
Other payables		16.523.519	11.736
Current liabilities other than provisions		22.185.901	15.242
Liabilities other than provisions		22.185.901	15.242
Equity and liabilities		35.985.336	26.974
Unrecognised rental and lease commitments	4		
Mortgages and securities	5		

Statement of changes in equity for 2016/17

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	560.000	11.171.230	11.731.230
Profit/loss for the year	0	2.068.205	2.068.205
Equity end of year	560.000	13.239.435	13.799.435

Notes

	2016/17	2014/15
	DKK	DKK'000
1. Staff costs		
Wages and salaries	32.792.350	28.336
Pension costs	596.577	364
Other social security costs	57.085	54
	33.446.012	28.754
Number of employees at balance sheet date	17	
	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
2. Property, plant and equipment		
Cost beginning of year	2.789.778	1.182.150
Additions	0	52.381
Cost end of year	2.789.778	1.234.531
Depreciation and impairment losses beginning of the year	(1.533.371)	(365.664)
Depreciation for the year	(411.924)	(77.501)
Depreciation and impairment losses end of the year	(1.945.295)	(443.165)
Carrying amount end of year	844.483	791.366
	Number	Nominal value DKK
3. Contributed capital		
Ordinære aktier	560	560.000
	560	560.000
	Par value DKK	

Årsrapporten er aflagt i overensstemmelse med årsregnskabslovens bestemmelser for regnskabsklasse B med tilvalg af enkelte bestemmelser for regnskabsklasse C.

Notes

	2016/17	2014/15
	DKK	DKK'000
4. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	771.159	1.453.228

5. Mortgages and securities

Collateral securities provided for subsidiaries and group enterprises

Spencer Stuart International P/S has provided suretyship for Spencer Stuart International ApS.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet

Property, plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	5-10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Receivables

Receivables are measured at amortised cost, usually equaling nominal value less write-downs for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.