

Hudson Global, Inc.  
Form DEFC14A  
April 25, 2014

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A**

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
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Hudson Global, Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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- (1) Title of each class of securities to which transaction applies:
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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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## HUDSON GLOBAL, INC.

# NOTICE OF ANNUAL MEETING OF STOCKHOLDERS To Be Held May 29, 2014

### To the Stockholders of Hudson Global, Inc.:

We are providing notice that the 2014 annual meeting of stockholders of Hudson Global, Inc. will be held on May 29, 2014, at 8:00 A.M., local time, at the offices of Convene, 101 Park Avenue, Ground Floor, New York, New York 10178.

This year's annual meeting will be a particularly important one, and YOUR vote is extremely important.

**Whether or not you will be able to attend the annual meeting, it is very important that your shares be represented. We urge you to read the accompanying proxy statement carefully and to use the enclosed WHITE proxy card to vote for our Board's nominees, and in accordance with our Board's recommendations on the other proposals, as soon as possible. You may vote your shares by signing and dating the enclosed WHITE proxy card and returning it in the postage-paid envelope provided, whether or not you plan to attend the annual meeting. For your convenience, you may also vote your shares via the Internet or by a toll-free telephone number by following the instructions on the enclosed WHITE proxy card.**

The annual meeting will be held for the following purposes:

1. To elect two directors to hold office until the 2017 annual meeting of stockholders and until their successors are duly elected and qualified;
2. To approve, by advisory vote, the compensation of our named executive officers as disclosed in the accompanying proxy statement;
3. To ratify the appointment of KPMG LLP as independent registered public accounting firm to audit Hudson Global, Inc.'s financial statements for the fiscal year ending December 31, 2014; and
4. To adopt and approve an amendment to our Amended and Restated Certificate of Incorporation to declassify our Board of Directors and provide for the annual election of directors.

We also will consider and act upon such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

Only stockholders of record at the close of business on April 21, 2014 will be entitled to vote at the annual meeting and any adjournment or postponement of the meeting.

Please note that Lone Star Value Management, LLC and certain other affiliated persons and entities (collectively, the Lone Star Group) have nominated two alternative director nominees for election at the annual meeting. You may receive solicitation materials from the Lone Star Group seeking your proxy to vote for the Lone Star Group's nominees. **We urge you NOT to sign or return any proxy card that you may receive from the Lone Star Group.**

**Our Board urges you to sign date and return the enclosed WHITE proxy card and vote FOR each of our Board's nominees for director.** If you have already voted using a proxy card sent to you by the Lone Star Group, you

may subsequently revoke it by signing and dating the enclosed **WHITE** proxy card and returning it in the postage-paid envelope provided or by voting via the Internet or by telephone by following the instructions provided on the enclosed **WHITE** proxy card. Only your last-dated proxy will count, and any proxy may be revoked at any time prior to its exercise at the annual meeting as described in the accompanying proxy statement.

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Thank you for your continued support. If you have any questions, please contact Georgeson Inc., our proxy solicitor assisting us in connection with the annual meeting. Stockholders, banks and brokers may call toll-free at: 800-261-1052.

By Order of the Board of Directors  
HUDSON GLOBAL, INC.

Latham Williams  
*Corporate Secretary*

New York, New York  
April 25, 2014

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**HUDSON GLOBAL, INC.  
560 Lexington Avenue, 5<sup>th</sup> Floor  
New York, New York 10022**

**PROXY STATEMENT  
For  
ANNUAL MEETING OF STOCKHOLDERS  
To Be Held May 29, 2014**

**ANNUAL MEETING INFORMATION**

We are providing this proxy statement and the enclosed **WHITE** proxy card in connection with the solicitation by our Board of Directors of proxies for use at our 2014 annual meeting of stockholders, which will be held on May 29, 2014, at 8:00 A.M., local time, at the offices of Convene, 101 Park Avenue, Ground Floor, New York, New York 10178, and all adjournments or postponements of the meeting, for the purposes set forth in the attached Notice of Annual Meeting of Stockholders.

We are providing our 2013 annual report to stockholders with this proxy statement. We first mailed the Notice of Annual Meeting of Stockholders, this proxy statement and our 2013 annual report to our stockholders on or about April 25, 2014. **A copy of our 2013 annual report may also be obtained, without charge, by contacting Latham Williams, Corporate Secretary, Hudson Global, Inc., 560 Lexington Avenue, 5<sup>th</sup> Floor, New York, New York 10022.**

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on May 29, 2014.** The Notice of Annual Meeting of Stockholders, this proxy statement and our 2013 annual report are also available online at <http://www.edocumentview/HUDSON>.

On January 21, 2014, we received a notice from Lone Star Value Management, LLC and certain other affiliated persons and entities, which we refer to collectively in this proxy statement as the Lone Star Group, stating their intention to propose two alternative director nominees for election at the annual meeting. The Lone Star Group nominees have NOT been endorsed by our Board of Directors. **We urge you NOT to sign or return any proxy card that you may receive from the Lone Star Group. Our Board urges you to sign, date and return the enclosed WHITE proxy card and vote FOR each of our Board's nominees for director.**

We are not responsible for the accuracy of any information provided by or relating to the Lone Star Group contained in any proxy solicitation materials filed or disseminated by, or on behalf of, the Lone Star Group or any other statements that the Lone Star Group may otherwise make. The Lone Star Group chooses which of our stockholders will receive their proxy solicitation materials.

## Who Can Vote

Only holders of record of our common stock at the close of business on April 21, 2014, the record date for the annual meeting, are entitled to vote at the annual meeting. On April 21, 2014, there were 32,873,468 shares of our common stock outstanding and entitled to vote.

## Determining the Number of Votes You Have

The enclosed **WHITE** proxy card indicates the number of shares of our common stock that you own. Each share is entitled to one vote.

## Quorum

To carry on the business of the annual meeting, a minimum number of shares of our common stock, constituting a quorum, must be present. The quorum for the annual meeting is a majority of the votes represented by the outstanding shares of our common stock. This majority may be present in person or by proxy. Abstentions and broker non-votes (when a broker has delivered a proxy that it does not have authority to vote on the proposal in question) are counted as present in determining whether or not there is a quorum.

## How to Vote

**By Mail** Stockholders may vote their shares by signing and dating the enclosed **WHITE** proxy card and returning it in the postage-paid envelope provided with this proxy statement. Proxy cards submitted by

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mail must be received by the time of the annual meeting for your shares to be voted. Therefore, please mail your proxy card as soon as possible so that it is received prior to the date of the annual meeting.

**Via the Internet** Stockholders can simplify their voting by voting their shares via the Internet as instructed on the enclosed **WHITE** proxy card. Internet voting facilities for stockholders of record are available 24 hours a day. Voting via the Internet authorizes the named proxies to vote your shares in the same manner as if you had submitted a validly executed proxy card. Your vote via the Internet must be submitted by 11:59 p.m., Eastern Time, on May 28, 2014 for your shares to be voted.

**By Telephone** Stockholders can vote their shares using a toll-free telephone number by following the instructions provided on the enclosed **WHITE** proxy card. Voting by telephone authorizes the named proxies to vote your shares in the same manner as if you had submitted a validly executed proxy card. Your vote by telephone must be submitted by 11:59 p.m., Eastern Time, on May 28, 2014 for your shares to be voted.

**At the Annual Meeting** Only our stockholders and invited guests may attend the annual meeting. If you would like to attend the annual meeting, you must demonstrate that you were a stockholder on April 21, 2014 and you must bring photo identification with you to the annual meeting. If your shares are held through a broker, bank or nominee, then you must bring to the annual meeting a copy of your brokerage account statement, which you can obtain from your broker, bank or nominee that holds your shares. If your shares are registered directly in your name with our transfer agent, Computershare, Inc., then you need only bring photo identification with you to the annual meeting. If you vote by proxy and also attend the annual meeting, then you do not need to vote again at the annual meeting unless you wish to change your vote. Even if you plan to attend the annual meeting, we strongly urge you to vote in advance by proxy by signing and dating the enclosed **WHITE** proxy card and returning it in the postage-paid envelope provided or by voting via the Internet or by telephone by following the instructions provided on the enclosed **WHITE** proxy card. For directions to the annual meeting, please write Latham Williams, Corporate Secretary, Hudson Global, Inc., 560 Lexington Avenue, 5<sup>th</sup> Floor, New York, New York 10022 or call (212) 351-7300.

If you are a stockholder of record and submit your proxy by executing and returning the enclosed **WHITE** proxy card by mail or via the Internet or by telephone, then the persons named as proxies will vote the shares represented by your proxy according to your instructions. For the election of directors, you can specify whether your shares should be voted for one, both or neither of the nominees for director listed. Our Board urges you to use the enclosed **WHITE** proxy card and vote FOR BOTH of the nominees for director listed. With respect to the other items being submitted for stockholder vote, you may vote for or against any proposal or you may abstain from voting on any proposal.

If you submit your proxy by executing and returning the enclosed **WHITE** proxy card by mail or via the Internet or by telephone, but do not provide specific voting instructions with respect to the proposals to be submitted to stockholders at the annual meeting, then the persons named as proxies will vote FOR the two nominees for election as directors referred to in this proxy statement, FOR the approval of the compensation of our named executive officers as disclosed in this proxy statement, FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014, and FOR adoption and approval of an amendment to our Amended and Restated Certificate of Incorporation to declassify our Board of Directors and provide for the annual election of directors. Our management knows of no matters other than those set forth in the Notice of Annual Meeting of Stockholders to be brought before the annual meeting. However, if any other business or matters properly shall come before the annual meeting, then the persons named as proxies on the enclosed **WHITE** proxy card will vote the shares represented by each proxy in accordance with their judgment on such other business or matters.

If you hold your shares in street name through a bank, broker or other nominee, such bank, broker or nominee will vote those shares in accordance with your instructions. To so instruct your bank, broker or nominee, you should refer to the information provided to you by such entity. Without instructions from you, a bank, broker or nominee will be permitted to exercise its own voting discretion with respect to so-called routine matters but will not be permitted to exercise voting discretion with respect to non-routine matters. If, as expected, our annual meeting involves a contested election, then there will be no routine matters to be voted on at the annual meeting. Thus, if you do not give your bank, broker or nominee specific instructions with respect to any of the proposals, your shares will not be voted on such proposals. This is called a broker

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non-vote. We urge you to provide your bank, broker or nominee with appropriate voting instructions so that all of your shares may be voted at the annual meeting.

### **Receipt of Multiple Proxy Cards**

Many of our stockholders hold their shares in more than one account and may receive separate proxy cards or voting instructions forms for each of those accounts. To ensure that all of your shares are represented at the annual meeting, we recommend that you **vote every WHITE proxy card you receive.**

Additionally, please note that the Lone Star Group has nominated two alternative director nominees for election at the annual meeting. You may receive proxy solicitation materials from the Lone Star Group, including an opposition proxy statement and a proxy card. Our Board unanimously recommends that you **disregard and do not return any proxy card you receive from the Lone Star Group.**

**Even if you have already voted using the Lone Star Group's proxy card, you have every right, and our Board strongly encourages you, to change your vote and revoke your prior proxy by signing and dating the enclosed WHITE proxy card and returning it in the postage-paid envelope provided or by voting via the Internet or by telephone by following the instructions provided on the enclosed WHITE proxy card.** Only the latest dated proxy you submit will be counted. If you withhold your vote on either Lone Star Group nominee using the Lone Star Group's proxy card, your vote will not be counted as a vote for our Board's nominees and will result in the revocation of any previous vote you may have cast on our **WHITE** proxy card. Accordingly, if you wish to vote pursuant to the recommendation of our Board, you should **disregard any proxy card that you receive that is not a WHITE proxy card.**

### **Revocation of Proxies**

You can change your vote or revoke your proxy at any time before it is exercised at the annual meeting by doing any of the following: (1) you can submit a valid proxy with a later date; (2) you can notify our Corporate Secretary that you have revoked your proxy by writing Latham Williams, Corporate Secretary, Hudson Global, Inc., 560 Lexington Avenue, 5<sup>th</sup> Floor, New York, New York 10022; or (3) you can vote in person by written ballot at the annual meeting.

If you have previously signed a proxy card sent to you by the Lone Star Group, you may change your vote and revoke your prior proxy by signing and dating the enclosed **WHITE** proxy card and returning it in the postage-paid envelope provided or by voting via the Internet or by telephone by following the instructions on the enclosed **WHITE** proxy card. Submitting a Lone Star Group proxy card even if you withhold your vote on the Lone Star Group nominees will revoke any votes you previously made via our **WHITE** proxy card. Accordingly, if you wish to vote pursuant to the recommendation of our Board, you should **disregard any proxy card that you receive that is not a WHITE proxy card and do not return any proxy card that you may receive from the Lone Star Group, even as a protest.**

### **If You Have Questions or Need Assistance Voting**

If you have any questions or need assistance voting, please contact Georgeson Inc., our proxy solicitor assisting us in connection with the annual meeting. Stockholders, banks and brokers may call toll-free at: 800-261-1052.



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The following table sets forth certain information regarding the beneficial ownership of our common stock as of April 21, 2014 by: (i) each director and nominee for director; (ii) each of the executive officers named in the Summary Compensation Table set forth below; and (iii) all of the directors, nominees and executive officers (including the executive officers named in the Summary Compensation Table) as a group. Each of the holders listed below has sole voting and investment power over the shares beneficially owned by such holder. None of the holders listed below have pledged any of their shares as security.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Common Stock Beneficially Owned
Robert B. Dubner <sup>(1)(2)</sup>	104,403	*
John J. Haley <sup>(1)</sup>	131,403	*
Jennifer Laing <sup>(1)</sup>	73,525	*
Manuel Marquez <sup>(2)</sup>	270,203	*
David G. Offensend <sup>(1)</sup>	213,034	*
Richard J. Stolz <sup>(1)(2)</sup>	126,403	*
Stephen A. Nolan <sup>(3)</sup>	117,128	*
Frank P. Lanuto <sup>(4)</sup>	37,046	*
Latham Williams <sup>(2)(3)</sup>	63,437	*
Neil J. Funk <sup>(2)(3)</sup>	65,690	*
Mary Jane Raymond <sup>(5)</sup>	123,637	*
All directors, nominees and executive officers as a group (11 persons) <sup>(1)(2)(3)(4)</sup>	1,325,909	4.0 %

\*

Denotes less than 1%.

(1) Includes the following share units under our Director Deferred Share Plan, which are payable only in shares of common stock upon a director ceasing service as a Board member: Robert B. Dubner, 51,403 shares; John J. Haley, 56,403 shares; Jennifer Laing, 56,403 shares; David G. Offensend, 56,403 shares; Richard J. Stolz, 51,403 shares; and all directors, nominees and executive officers as a group, 272,015 shares.

(2) Includes the following shares of common stock subject to stock options, which are exercisable within 60 days of April 21, 2014: Robert B. Dubner, 50,000 shares; Manuel Marquez, 200,000 shares; Richard J. Stolz, 50,000 shares; Latham Williams, 24,500 shares; Neil J. Funk, 20,000 shares; and all directors, nominees and executive officers as a group, 344,500 shares.

(3) Includes the following shares of restricted common stock, which are subject to forfeiture until they vest: Stephen A. Nolan, 100,000 shares; Latham Williams, 3,060 shares; Neil J. Funk, 1,020 shares; and all directors, nominees and executive officers as a group, 104,080 shares.

(4) On February 13, 2014, Mr. Lanuto, our former Senior Vice President, Controller and Chief Accounting Officer, provided notice of his decision to resign from his position with our company. Mr. Lanuto's employment with our company ended effective March 14, 2014. The shares of our common stock beneficially owned by Mr. Lanuto

listed in the table are as of March 14, 2014, the effective date of his separation from our company.

On May 31, 2013, we entered into a separation agreement with Ms. Raymond pursuant to which her employment with our company ended effective May 31, 2013. The shares of our common stock beneficially owned by Ms.

(5) Raymond listed in the table are as of May 31, 2013, the effective date of her separation from our company, after giving effect to the acceleration of vesting of 48,155 shares of restricted common stock pursuant to her separation agreement.

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The following table sets forth certain information regarding beneficial ownership by other persons known to us to own more than 5% of our outstanding common stock as of April 21, 2014.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Class	
Hotchkis and Wiley Capital Management, LLC <sup>(1)</sup> 725 South Figueroa St. 39 <sup>th</sup> Floor Los Angeles, CA 90017	4,838,584	14.5	%
Sagard Capital Partners, L.P. <sup>(2)</sup> 325 Greenwich Avenue Greenwich, CT 06830	4,650,189	14.0	%
Heartland Advisors, Inc. <sup>(3)</sup> 789 North Water St. Milwaukee, WI 53202	4,631,826	13.9	%
Schneider Capital Management Corporation <sup>(4)</sup> 460 East Swedesford Rd. Suite 2000 Wayne, PA 19087	1,807,361	5.4	%
Lone Star Value Management, LLC <sup>(5)</sup> 53 Forest Avenue 1 <sup>st</sup> Floor Old Greenwich, CT 06870	1,655,000	5.0	%

Based on a Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2014 by Hotchkis (1) and Wiley Capital Management, LLC, which indicated it exercises sole voting power over 3,455,129 shares and sole investment power over all of such shares.

Based on a Schedule 13D/A filed with the Securities and Exchange Commission on October 11, 2013 by Sagard (2) Capital Partners, L.P., which indicated it exercises shared voting and shared investment power over all of such shares.

Based on a Schedule 13D filed with the Securities and Exchange Commission on December 2, 2013 by Heartland (3) Advisors, Inc., which indicated it exercises shared voting and shared investment power over all of such shares.

Based on a Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2014 by (4) Schneider Capital Management Corporation, which indicated it exercises sole voting power over 949,802 shares and sole investment power over all of such shares.

Based on a Schedule 13D filed with the Securities and Exchange Commission on January 21, 2014 by Lone Star (5) Value Management, LLC, which indicated it exercises sole voting power and sole investment power over all of such shares.

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## ELECTION OF DIRECTORS

Our Certificate of Incorporation and By-Laws provide that our directors are divided into three classes, with staggered terms of three years each. At the 2014 annual meeting, our stockholders will elect two directors to hold office until the 2017 annual meeting of stockholders and until their successors are duly elected and qualified.

### Board Nominees for Election at the Annual Meeting

Our Board of Directors has nominated Robert B. Dubner and Jennifer Laing for election as directors at the annual meeting. All of the members of our Board of Directors approved the nomination of Mr. Dubner and Ms. Laing. Each of Mr. Dubner and Ms. Laing currently is a director of our company and was elected at our 2011 annual meeting of stockholders. Mr. Dubner and Ms. Laing have each consented to be named in this proxy statement and have agreed to serve if elected. If for some reason Mr. Dubner or Ms. Laing is unable to serve, or for good cause will not serve if elected, the persons named as proxies may vote for a substitute nominee recommended by our Board and, unless you indicate otherwise on the enclosed **WHITE** proxy card, your shares will be voted in favor of our Board's remaining nominee. If any substitute nominee is designated by our Board, then we will file supplemental proxy materials that, as applicable, identify the substitute nominee, disclose that such nominee has consented to being named in the supplemental proxy materials and to serve if elected, and include certain biographical and other information about such nominee required by Securities and Exchange Commission rules.

We believe Mr. Dubner and Ms. Laing meet and exceed the qualifications established by our Board and our Nominating and Governance Committee for service on our Board of Directors, have professional experience in areas that are extremely relevant to our strategy and operations, and offer experience, leadership and continuity at a critical time for our company's future. We also believe Mr. Dubner and Ms. Laing have other attributes necessary to create an effective board, such as: high personal and professional ethics, integrity and values; vision and long-term strategic perspective; experience in our industries or similar industries; practical judgment and excellent decision making skills; the ability to devote significant time to serve on our Board and its committees and to work in a collaborative manner with other board members; and a commitment to representing the long-term interests of all our stockholders.

The following sets forth specific information about Mr. Dubner and Ms. Laing, as well as each continuing director, as of April 21, 2014.

**Robert B. Dubner**, 71, has served as a director at Hudson since 2006. Mr. Dubner has been a Senior Advisor to the management consulting practice of PricewaterhouseCoopers (PWC) since 2008, involved in building an operations consulting practice, reporting to the Vice Chairman and Global Leader of the Advisory Services. He has been a Senior Advisor to Apollo Management LP, a private equity fund, and selected portfolio companies since 2005. From 2002 to 2004, Mr. Dubner was a management consulting partner and a member of International Business Machines Corporation's Business Consulting Services Global Middle Market leadership team, where he led the integration of PWC's consulting practice. Mr. Dubner was a Partner with PWC from 1998 to 2002, serving as the U.S. and global leader of its middle market consulting practice, and with Coopers & Lybrand International from 1989 to 1998. He served as an elected member of PWC's U.S. Board of Partners from 1998 to 2001, PWC's Global Oversight Board from 1998 to 2001 and Coopers & Lybrand's Board of Partners from 1995 to 1998. He was the co-founder, in 1972, of Information Automation, Inc., a production management and monitoring systems implementation company, and served as its President from 1982 to 1989. He is also a Certified Public Accountant. Mr. Dubner also served as a director of Converse Technology, Inc. from 2009 to 2013, and of Perf Go-Green Holdings, Inc. from 2008 to 2010.

The particular experience, qualifications, attributes or skills that led our Board of Directors to conclude that Mr.

Dubner should serve as a director of our company include his strategic, management and operational consulting experience, and his financial and accounting background.

**Jennifer Laing**, 67, has served as a director at Hudson since 2003. Ms. Laing has been retired since 2007. Ms. Laing was Chairman and Chief Executive Officer of Saatchi and Saatchi North America from 1997 to 2001 after serving as Chairman of Saatchi and Saatchi London from 1995 to 1997. Ms. Laing formed her own firm, Laing Henry, which she sold to Saatchi, after holding senior positions at international advertising agencies including Aspect Hill Holiday and Leo Burnett. Ms. Laing was the Associate Dean, External

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Relations at the London Business School from 2002 until 2007. Ms. Laing is also a director of InterContinental Hotels Group PLC (since 2005) and Premier Foods PLC (since 2012). Her knowledge of our company, network of relationships, international experience in branding, marketing and communications and experience as a senior executive officer, and as a director of other publicly-traded companies led our Board of Directors to conclude that Ms. Laing should serve as a director of our company.

## **Vote Required**

Each director will be elected by a plurality of the votes cast at the annual meeting (assuming a quorum is present), meaning that the two nominees for director who receive the most votes of all votes cast for directors will be elected. Consequently, any shares not voted at the annual meeting, whether due to abstentions, broker non-votes or otherwise, will have no impact on the election of the directors. Shares of our common stock represented by executed, but unmarked, proxies, whether submitted by mailing a signed proxy card, via the Internet or by telephone, will be voted in favor of the election as directors of the persons named as nominees on that proxy; provided that, if you hold your shares of our common stock through a broker-dealer, bank nominee, custodian or other securities intermediary, the intermediary will not vote those shares for the election of any nominee for director unless you give the intermediary specific voting instructions on a timely basis directing the intermediary to vote for such nominee.

Our Board of Directors recommends that our stockholders vote FOR the election of Mr. Dubner and Ms. Laing. The recommendation of our Board is based on its carefully considered judgment that the skills, experience, backgrounds and attributes of Mr. Dubner and Ms. Laing make them the best candidates to serve on our Board.

We urge you to vote for Mr. Dubner and Ms. Laing by using only the enclosed **WHITE** proxy card and not to sign or return or vote any proxy card sent to you by the Lone Star Group. If you have already voted using a proxy card sent to you by the Lone Star Group, you can revoke it by signing and dating the enclosed **WHITE** proxy card and returning it in the postage-paid envelope provided or by voting via the Internet or by telephone by following the instructions provided on the enclosed **WHITE** proxy card. Only your last-dated proxy will count, and any proxy may be revoked at any time prior to its exercise at the annual meeting as described in this proxy statement.

**It will NOT help elect Mr. Dubner and Ms. Laing if you sign and return a proxy card sent by the Lone Star Group, even if you withhold on their director nominees using the Lone Star Group proxy card. Doing so will cancel any previous vote you may have cast on our WHITE proxy card. The only way to support Mr. Dubner and Ms. Laing is to vote FOR the election of Mr. Dubner and Ms. Laing on our WHITE proxy card or via the Internet or by telephone by following the instructions provided on our WHITE proxy card, and to disregard, and not return, any proxy card that you receive that is not a WHITE proxy card, including any proxy card that you receive from the Lone Star Group.**

**Our Board of Directors recommends that Mr. Dubner and Ms. Laing be elected as directors and strongly encourages you to vote FOR their election on the enclosed WHITE proxy card or via the Internet or by telephone by following the instructions provided on our WHITE proxy card.**

## **Directors Continuing in Office**

### **Terms Expiring at the 2015 Annual Meeting**

**John J. Haley**, 64, has served as a director since 2003. Mr. Haley is the Chairman of the Board and Chief Executive Officer of Towers Watson & Co., a global professional services company headquartered in New York City. Mr. Haley

joined Watson Wyatt Worldwide in 1977 and was elected a director of the firm in 1992. In 2010, Watson Wyatt Worldwide merged with Towers Perrin forming Towers Watson & Co. Mr. Haley is a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries and a member of the American Academy of Actuaries. Mr. Haley is a member of the board of directors for Maximus, Inc., a position he has held since June 2002, and the U.S. China Business Council. The particular experience, qualifications, attributes or skills that led our Board of Directors to conclude that Mr. Haley should serve as a director of our company include his experience as Chief Executive Officer of an international publicly-traded company of a similar size (in terms of number of employees) and geographic spread as our company, and his financial expertise.

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**David G. Offensend**, 60, has served as director since 2003. On April 28, 2014, Mr. Offensend will become the Chief Operating Officer of America Achieves. Mr. Offensend served as the Chief Operating Officer of the New York Public Library from 2004 until April 2014. Prior to that, Mr. Offensend was Senior Advisor of Evercore Partners, Inc., which he co-founded in 1995. Evercore operates in the private equity business and provides merger and acquisition and restructuring advice to companies. Prior to founding Evercore, Mr. Offensend spent five years with Oak Hill Partners, the investment organization of Robert M. Bass, the Texas investor. Prior to joining the Bass organization in 1990, Mr. Offensend spent 13 years at Lehman Brothers. Mr. Offensend also was the lead investor in Resources Connection, Inc., a competitor of our company that was successfully taken public in 2000, and served as a trustee of Princeton University until June 2013. The particular experience, qualifications, attributes or skills that led our Board of Directors to conclude that Mr. Offensend should serve as a director of our company include his financial and executive compensation expertise, investing experience, and background in mergers and acquisitions.

**Terms Expiring at the 2016 Annual Meeting**

**Manuel Marquez**, 55, has served as a director since March 2011 and as Chief Executive Officer and Chairman of the Board of our company since May 2011. Mr. Marquez has over 20 years of experience in senior leadership positions. From 2007 to 2010, he was the chief executive officer of Amper S.A., a publicly traded defense, homeland security and telecommunications company in Spain. Prior to joining Amper, Mr. Marquez spent 15 years in the recruitment industry with Spencer Stuart, an international leader in executive search consulting services. He joined Spencer Stuart in 1991 and co-founded one of the firm's first specialized industry practices, High Technology. From 2000 to 2005, he was a member of the global executive team of Spencer Stuart responsible for the firm's operations in Europe, India and South Africa, expanding operations in this region to 14 countries with over 100 consultants. Mr. Marquez also was a member of the Advisory Board of ESADE Business School from 2007 to 2011. The particular experience, qualifications, attributes or skills that led our Board of Directors to conclude that Mr. Marquez should serve as a director of our company include his experience as a Chief Executive Officer of a publicly-traded company and his global senior leadership experience in the recruiting industry.

**Richard J. Stolz**, 68, has served as a director since 2006 and served as Chairman of the Board from February 2011 until May 2011. Prior to becoming a director, Mr. Stolz was a Partner with PricewaterhouseCoopers LLP until 2004. He served as the New York Region Leader for the Consumer and Industrial Products Industry Group of PricewaterhouseCoopers from 1997 to 2001. From 1988 to 1992, Mr. Stolz worked in Tokyo, Japan, leading the International Division of the PricewaterhouseCoopers affiliate. Mr. Stolz joined PricewaterhouseCoopers in 1967 and became a Partner in accounting and auditing in 1981. The particular experience, qualifications, attributes or skills that led our Board of Directors to conclude that Mr. Stolz should serve as a director of our company include his accounting and auditing background and his international business experience. Mr. Stolz also is a certified public accountant.

In addition to the biographical information set forth above, Attachment A sets forth information relating to our Board's director nominees and our directors continuing in office, as well as certain of our officers and employees who are considered participants in our solicitation of proxies for the annual meeting under the Securities Exchange Act of 1934 and the rules promulgated thereunder.

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# **BOARD OF DIRECTORS AND CORPORATE GOVERNANCE**

## **Relationship with Sagard as Board Observer**

On May 16, 2013, we entered into a letter agreement with Sagard Capital Partners, L.P. (Sagard), our second largest stockholder with approximately 14% of our outstanding shares, that provided, among other things, for Dan Friedberg, a representative of Sagard (and the President of Sagard's general partner), to be a non-voting attendee at meetings of our Board of Directors and Board committees. Since that time, Mr. Friedberg has provided constructive input and commentary to our Board of Directors and management as part of our strategic planning process to further strengthen Hudson's position in the market and build its business over the long term.

## **Independent Directors**

Of the six directors currently serving on our Board of Directors, the Board has determined that Ms. Laing and Messrs. Dubner, Haley, Offensend and Stolz are independent directors under the independence standards of the Nasdaq Global Select Market. Mr. Marquez is not permitted to be considered an independent director under the independence standards of the Nasdaq Global Select Market because he is our current Chief Executive Officer. Jon F. Chait, who served on our Board of Directors until his resignation effective February 25, 2013, was not permitted to be considered an independent director under the independence standards of the Nasdaq Global Select Market because he was employed by us as Chief Executive Officer within the past three years.

## **Board Committees**

Our Board of Directors has standing Audit, Compensation, Nominating and Governance, Human Resources and Executive Committees. Under the listing standards of the Nasdaq Global Select Market, the members of the Audit, Compensation and Nominating and Governance Committees must be comprised solely of independent directors. Accordingly, Mr. Marquez is not eligible to serve on such Committees. All directors receive materials for all Board committee meetings even if they do not serve, or are not eligible to serve, on the committee.

The Board has adopted, and may amend from time to time, a written charter for each of the Audit Committee, Compensation Committee, Nominating and Governance Committee, Human Resources Committee and Executive Committee. We maintain a Web site at [www.hudson.com](http://www.hudson.com) and make available on that Web site, free of charge, copies of each of the charters for the Audit, Compensation, Nominating and Governance, Human Resources and Executive Committees. We are not including the information contained on or available through this Web site as a part of, or incorporating such information by reference into, this proxy statement.

### **Audit Committee**

The Audit Committee presently consists of Richard J. Stolz (Chairman), Robert B. Dubner, John J. Haley and David G. Offensend, each of whom is an independent director under the independence standards of the Nasdaq Global Select Market and Securities and Exchange Commission rules. Our Board of Directors has determined that each of Messrs. Dubner, Haley, Offensend and Stolz qualify as an audit committee financial expert, as defined by the Securities and Exchange Commission. The Audit Committee held six meetings in 2013.

The Audit Committee's primary duties and responsibilities are to assist our Board of Directors in monitoring:

the integrity of our financial statements;  
the independent registered public accounting firm's qualifications and independence;  
the performance of our internal audit function and of the independent registered public accounting firm; and  
our compliance with legal and regulatory requirements.

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**Compensation Committee**

The Compensation Committee presently consists of Jennifer Laing (Chairman), John J. Haley and David G. Offensend, each of whom is an independent director under the independence standards of the Nasdaq Global Select Market and Securities and Exchange Commission rules and qualify as outside directors under Section 162(m) of the Internal Revenue Code. The Compensation Committee held five meetings in 2013.

The Compensation Committee's primary responsibility is to assure that the non-employee members of our Board of Directors, the Chief Executive Officer, other executive officers and key management are compensated effectively and in a manner consistent with our stated compensation strategy, internal equity considerations, competitive practices, the requirements of the appropriate regulatory bodies, and in the interests of our stockholders. The Compensation Committee has overall responsibility for approving and evaluating the compensation of executive officers (including the Chief Executive Officer), key management and outside directors, and administers our long-term incentive programs, including our equity compensation plan.

The Compensation Committee has retained the services of an independent, external compensation consultant, Pay Governance LLC. Pay Governance LLC has served as the independent compensation consultant to the Compensation Committee since 2010. The mandate of the consultant is to work for the Compensation Committee in its review of executive and director compensation practices, including the competitiveness of pay levels, executive compensation design issues, market trends and technical considerations. The consultant does not determine or recommend amounts or forms of compensation. The historical and ongoing nature and scope of services rendered by the independent compensation consultant on the Compensation Committee's behalf is described below:

competitive market pay analyses, Board of Director pay studies, dilution analyses, and market trends; ongoing support with regard to the latest relevant regulatory, technical, and/or accounting considerations affecting executive compensation and benefit programs;

guidance on overall compensation program structure and executive employment agreement terms; and preparation for and attendance at selected management, Board committee, or Board of Director meetings.

The Compensation Committee has the final authority to hire and terminate Pay Governance LLC or any other compensation adviser. The Compensation Committee also evaluates Pay Governance LLC periodically. In addition, the Compensation Committee has the responsibility to consider the independence of Pay Governance LLC or any other compensation adviser before engaging the adviser. During 2013, the Compensation Committee reviewed the independence of Pay Governance LLC and the individual representatives of Pay Governance LLC who served as the Compensation Committee's consultants pursuant to the requirements of Nasdaq and the Securities and Exchange Commission and the specific independence factors that the requirements cite and concluded, based on such review, that Pay Governance LLC's work for the Compensation Committee does not raise any conflict of interest. In 2013, Pay Governance LLC did not provide any services to the Compensation Committee other than the executive and director compensation-related consulting services as described previously. Management did not obtain any services from Pay Governance LLC in 2013.

Additional information regarding the Compensation Committee and our policies and procedures regarding executive compensation, including the role of executive officers in recommending executive compensation, is provided below under Compensation Discussion and Analysis.

**Nominating and Governance Committee**

The Nominating and Governance Committee presently consists of John J. Haley (Chairman), Robert B. Dubner, Jennifer Laing, David G. Offensend and Richard J. Stolz, each of whom is an independent director under the

independence standards of the Nasdaq Global Select Market. The Nominating and Governance Committee held four meetings in 2013.

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The Nominating and Governance Committee provides assistance to our Board of Directors by:

- identifying individuals qualified to become directors and recommending to the Board candidates for all directorships to be filled by the Board or by our stockholders;
- identifying directors qualified to serve on the committees established by the Board and recommending to the Board members for each committee to be filled by the Board;
- identifying directors qualified to serve as lead director and recommending to the Board nominees for lead director;
- developing and recommending to the Board a set of corporate governance principles, including matters of:
  - Board organization, membership and function;
  - Board committee structure and membership;
  - succession planning for our Chief Executive Officer; and
  - taking a leadership role in shaping our corporate governance.

In identifying and evaluating nominees for director, the Nominating and Governance Committee seeks to ensure that our Board of Directors possesses, in the aggregate, the strategic, managerial and financial skills and experience necessary to fulfill its duties and to achieve its objectives. The Nominating and Governance Committee also seeks to ensure that the Board is comprised of directors who have broad and diverse backgrounds, possessing knowledge in areas that are important to us. In addition, the Nominating and Governance Committee believes it is important that at least one director has the requisite experience and expertise to be designated as an audit committee financial expert.

The Nominating and Governance Committee looks at each nominee on a case-by-case basis regardless of who recommended the nominee.

In looking at the qualifications of each candidate to determine if their election would further the goals described above, the Nominating and Governance Committee takes into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills or financial acumen, diversity of viewpoint and industry knowledge. The Nominating and Governance Committee also believes that candidates should be selected so that the Board of Directors is a diverse body, with diversity reflecting, among other things, age, gender, race and professional experience. At a minimum, each director nominee must have displayed the highest personal and professional ethics, integrity and values, and sound business judgment. In addition, the Nominating and Governance Committee believes a director should possess the following minimum qualifications to be recommended by the Nominating and Governance Committee to the Board:

A director must be highly accomplished in his or her respective field, with superior credentials and recognition and broad experience at the administrative and/or policy-making level in business, government, education, technology or public interest.

A director must have expertise and experience relevant to our business and be able to offer advice and guidance to the Chief Executive Officer based on that expertise and experience.

A director must be independent of any particular constituency, be able to represent all of our stockholders and be committed to enhancing long-term stockholder value.

A director must have sufficient time available to devote to activities of the Board and to enhance his or her knowledge of our business.

The Nominating and Governance Committee has the authority to retain a search firm to assist it in identifying director nominees, and the Nominating and Governance Committee provides the search firm with the criteria for the director nominees as described above.

The Nominating and Governance Committee will consider persons recommended by stockholders to become nominees for election as directors in accordance with the foregoing and other criteria set forth in our Nominating and Governance Committee Charter, which is available on our website as described above.



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Recommendations for consideration by the Nominating and Governance Committee should be sent to our Corporate Secretary in writing, together with appropriate biographical information concerning each proposed nominee. Our By-Laws also set forth certain requirements for stockholders wishing to nominate director candidates directly for consideration by the stockholders. With respect to an election of directors to be held at an annual meeting, a stockholder must, among other things, give notice of an intent to make such a nomination to our Corporate Secretary in advance of the meeting in compliance with the terms and within the time period specified in our By-Laws. Pursuant to our By-Laws, a stockholder must give a written notice of intent to our Corporate Secretary not less than 45 days and not more than 75 days prior to the first anniversary of the date on which we first mailed our proxy materials for the preceding year's annual meeting of stockholders. See Other Matters Stockholder Proposals for the specific deadlines for submitting stockholder proposals to our Corporate Secretary in connection with the 2015 annual meeting of stockholders.

### **Human Resources Committee**

The Human Resources Committee presently consists of Robert B. Dubner (Chairman), Jennifer Laing and Richard J. Stolz. The Human Resources Committee held five meetings in 2013.

The Human Resources Committee provides assistance to our Board of Directors by:

assisting management and making recommendations to the Board of Directors regarding human resources and organizational matters, other than compensation and benefits matters, for employees of our company, other than our Chief Executive Officer;

participating in the selection process of key executives; and  
reviewing and monitoring our company's succession plan for senior leadership.

### **Executive Committee**

The Executive Committee presently consists of Manuel Marquez (Chairman), Robert B. Dubner and David G. Offensend. The Executive Committee did not meet in 2013.

The Executive Committee assists the Board of Directors in discharging its responsibilities and may exercise all of the authority of the Board in the management of our business affairs, except for changes in our By-Laws, matters specifically designated to other Board committees and certain other significant corporate matters.

## **Board Leadership Structure**

Our positions of Chairman of the Board and Chief Executive Officer are combined, and we have a lead independent director. The reasons why we have combined these positions and why we continue to believe that combining these positions is appropriate for our company include the resulting operational efficiencies given the size of our company and the particularly detailed knowledge of our company's operations that our Chief Executive Officer develops, which we believe is beneficial for serving as our Chairman.

Our independent directors meet regularly without management, including our Chief Executive Officer, and are active in the oversight of our company. Our Board of Directors and each Board committee have access to members of our management and the authority to retain independent legal, accounting or other advisors as they deem necessary or appropriate. Our Chairman and Chief Executive Officer does not serve on any Board committee, other than the Executive Committee.

The duties and responsibilities of our lead independent director include the following:

coordinate the activities of the independent directors and serve as a liaison between the independent directors and our Chairman and Chief Executive Officer;

chair meetings and executive sessions at which only the independent directors attend;

advise our Chairman and Chief Executive Officer as to the quality, quantity and timeliness of the flow of information from management that is necessary for the independent directors to effectively perform their duties;

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jointly with the Compensation Committee, conduct an annual evaluation of the performance of the Chairman and Chief Executive Officer and report to the Board of Directors the results of that evaluation;  
in conjunction with the Chairman and Chief Executive Officer, consider potential conflicts of interest of directors;  
at the lead director's discretion, conduct exit interviews of senior management upon resignation; and  
recommend to the Chairman and Chief Executive Officer the retention of outside advisors and consultants who report directly to the Board of Directors.

The Nominating and Governance Committee recommends to our Board of Directors nominees for the position of lead independent director from among the independent directors. The independent directors on our Board of Directors then select a lead independent director from among the nominees to serve for a term of one year or until a successor is elected by the independent directors. There is no limit to the number of terms a director can serve as lead independent director. David G. Offensend currently serves as our lead independent director.

We believe that our board leadership structure provides an appropriate balance between strong and strategic leadership and independent oversight of our company, and that our board leadership structure continues to serve the best interests of our company and stockholders.

## **Risk Oversight**

The Audit Committee of our Board of Directors oversees our risk management process. Our Risk Committee, which consists of certain members of our senior management, has day-to-day responsibility for our risk management process. The members of the Risk Committee are our Chief Executive Officer, Executive Vice President and Chief Financial Officer, Senior Vice President, Legal Affairs and Administration and Chief Knowledge Officer. Our Vice President, Internal Audit serves as the liaison between the Risk Committee and the Audit Committee. Our Vice President, Internal Audit provides periodic updates to the Audit Committee on behalf of the Risk Committee regarding, among other things, risk assessments and actions taken to mitigate risks. In addition, our Vice President, Internal Audit reports directly to the Chairman of the Audit Committee and provides periodic updates to the Audit Committee regarding risk management issues, particularly those regarding accounting and finance related risks. Also, our Senior Vice President, Legal Affairs and Administration provides periodic updates to our Board of Directors regarding claims against our company.

## **Corporate Governance Guidelines**

Our Board of Directors has adopted Corporate Governance Guidelines to further promote the effective functioning of our Board and Board committees and to set forth a common set of expectations as to how our Board and Board committees should perform their functions. Our Corporate Governance Guidelines are available, free of charge, on our Web site at [www.hudson.com](http://www.hudson.com).

## **Meetings and Attendance**

Our Board of Directors held ten meetings in 2013. Each of the directors currently serving on our Board of Directors attended at least 75% of the aggregate number of meetings of the Board held in 2013 and meetings held by each committee of the Board on which such director served during the period that the director so served in 2013. Directors are expected to attend our annual meeting of stockholders each year. At the 2013 annual meeting of stockholders, all of the directors then serving were in attendance either in-person or by teleconference.

## **Communications with Board of Directors**

You may communicate with our Board of Directors by writing to our Corporate Secretary at Hudson Global, Inc., c/o the Board of Directors (or, at your option, c/o a specific director), 560 Lexington Avenue, 5<sup>th</sup> Floor, New York, New York 10022. The Corporate Secretary will deliver this communication to the Board or the specified director, as the case may be.



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## **Policies and Procedures Regarding Related Person Transactions**

Our Board of Directors has adopted written policies and procedures regarding related person transactions. For purposes of these policies and procedures:

a **related person** means any of our directors, executive officers or nominees for director or any of their immediate family members; and

a **related person transaction** generally is a transaction (including any indebtedness or a guarantee of indebtedness) in which we were or are to be a participant and the amount involved exceeds \$120,000, and in which a related person had or will have a direct or indirect material interest.

Each of our executive officers, directors or nominees for director is required to disclose to the Audit Committee certain information relating to related person transactions for review, approval or ratification by the Audit Committee.

Disclosure to the Audit Committee should occur before, if possible, or as soon as practicable after the related person transaction is effected, but in any event as soon as practicable after the executive officer, director or nominee for director becomes aware of the related person transaction. The Audit Committee's decision whether or not to approve or ratify a related person transaction is to be made in light of the Audit Committee's determination that consummation of the transaction is not or was not contrary to our best interests. Any related person transaction must be disclosed to the full Board of Directors.

TABLE OF CONTENTS**DIRECTOR COMPENSATION**

The following table sets forth information regarding the compensation received during 2013 by each of our current directors and each person who served as a director during 2013, other than Mr. Marquez who did not receive any compensation for serving as a director and whose compensation as an executive officer is set forth below under Executive Compensation Summary Compensation Table.

Name	Fees			Total
	Earned or Paid in Cash	Stock Awards <sup>(1)</sup>	Option Awards <sup>(2)</sup>	
Jon F. Chait <sup>(3)</sup>	\$ 7,250	\$ 0	\$ 0	\$ 7,250
Robert B. Dubner	\$ 70,000	\$ 65,000	\$ 0	\$ 135,000
John J. Haley	\$ 67,000	\$ 65,000	\$ 0	\$ 132,000
Jennifer Laing	\$ 73,000	\$ 65,000	\$ 0	\$ 138,000
David G. Offensend	\$ 84,000	\$ 65,000	\$ 0	\$ 149,000
Richard J. Stolz	\$ 75,000			