

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

---

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

---

Date of Report  
(Date of earliest  
event reported): December 17, 2017

Hudson Global, Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other  
jurisdiction of  
incorporation)

000-50129  
(Commission File  
Number)

59-3547281  
(IRS Employer  
Identification No.)

1325 Avenue of the Americas, New York, New York 10019  
(Address of principal executive offices, including zip code)

(212) 351-7300  
(Registrant's telephone number, including area code)

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

---

Item 1.01.      Entry into a Definitive Material Agreement.

On December 17, 2017, Hudson Global, Inc., a Delaware corporation (the “Company”), entered into the agreements described below, each relating to the sale of certain of the Company’s subsidiaries. The sales, taken together, constitutes a sale of substantially all of the Company’s assets under the Delaware General Corporation Law, and, as such, the Company will be seeking stockholder approval of the sale of substantially all of the Company’s assets pursuant to the agreements described below (the “Stockholder Approval”). The Company obtaining the Stockholder Approval is a closing condition to each of the transactions, but no transaction is contingent upon the closing of any other transaction.

***APAC Sale***

On December 17, 2017, the Company entered into a Share Sale Agreement (the “APAC Agreement”), among the Company, its subsidiary Hudson Highland Group Holdings International, Inc. (such subsidiary, together with the Company, the “APAC Sellers”), and Apache Group Holdings Pty Limited, in its own capacity and as trustee for the Apache Unit Trust (“Apache”). Pursuant to the APAC Agreement, the APAC Sellers agreed to sell to Apache all of the shares of Hudson Highland (APAC) Pty Ltd and Hudson Holdco (Hong Kong) Limited (collectively, the “APAC Transferred Companies”). The transaction excludes the assets of the APAC Transferred Companies’ recruitment process outsourcing (“RPO”) business, which will be transferred to other subsidiaries of the Company prior to the closing. The purchase price is \$7.5 million in cash subject to a reduction for all dividends, distributions and management fees paid by an APAC Transferred Company to the APAC Sellers between July 18, 2017 and the closing date, other than management fees invoiced but unpaid at July 31, 2017, which is currently expected to result in estimated net proceeds of \$6.0 million.

Under the APAC Agreement, the completion of the sale is conditioned upon the Company obtaining the Stockholder Approval, Apache obtaining adequate financing to complete the transaction and other customary closing conditions. The Company expects to complete the sale in the first half of 2018. The APAC Agreement contains customary indemnification obligations of the APAC Sellers.

Either party may terminate the APAC Agreement if the closing has not occurred by May 31, 2018 or if the other party is in material breach of the APAC Agreement and has not cured such breach. If the APAC Sellers terminate the APAC Agreement as a result of Apache’s failure to close the transaction by May 31, 2018 due to a failure to obtain financing or Apache’s material breach of its obligations to obtain financing, then Apache is required to pay the APAC Sellers a termination fee of \$300,000. If Apache terminates the APAC Agreement as a result of the Company’s failure to close the transaction by May 31, 2018 due to a failure to obtain the Stockholder Approval or complete the transfer of the APAC Sellers’ RPO business, then the Company is required to pay Apache a termination fee of \$300,000.

***Belgium Sale***

On December 17, 2017, the Company entered into a Sale and Purchase Agreement (the “Belgium Agreement”), among the Company, its subsidiary Hudson Highland Group Holdings International, Inc. (such subsidiary, together with the Company, the “Belgium Sellers”), Value Plus NV (“Value Plus”), Ivan De Witte and De Witte Comm. V. Pursuant to the Belgium Agreement, the Belgium Sellers agreed to sell to Value Plus all of the shares of Hudson Belgium NV ( “Hudson Belgium”). The transaction excludes the assets of Hudson Belgium’s RPO business, which will be transferred to other subsidiaries of the Company prior to the closing. The purchase price is \$28.25 million in cash subject to a reduction for all dividends, distributions, management fees (excluding normal, recurring information technology allocations) and return of capital paid by Hudson Belgium to the Belgium Sellers from December 31, 2016 through the closing date, which is currently expected to result in estimated net proceeds of \$24.7 million.

Under the Belgium Agreement, the completion of the sale is conditioned upon the Company obtaining the Stockholder Approval, Value Plus obtaining adequate financing to complete the transaction and other customary closing conditions. The Company expects to complete the sale in the first half of 2018. The Belgium Agreement contains customary indemnification obligations of the Belgium Sellers.

Either party may terminate the Belgium Agreement if the closing has not occurred by May 31, 2018 or if the other party is in material breach of the Belgium Agreement and has not cured such breach. The Belgium Sellers may also terminate the Belgium Agreement if Value Plus does not obtain a commitment letter for debt financing within 60 days after the execution of the Belgium Agreement. If the Belgium Sellers terminate the Belgium Agreement as a result of Value Plus' failure to obtain a debt financing commitment letter within 60 days after the execution of the Belgium Agreement, Value Plus' material breach of its obligations to obtain financing or Value Plus' failure to close the transaction by May 31, 2018 due to a failure to obtain financing, then Ivan De Witte and De Witte Comm. V. are jointly and severally required to pay the Belgium Sellers a termination fee of EUR750,000.

### ***Europe Sale***

On December 17, 2017, the Company entered into a Share Purchase Agreement (the "Europe Agreement"), among the Company, its subsidiaries Hudson Global Resources AG Zug, Hudson Global Resources Jersey Limited, Hudson Europe B.V. (such subsidiaries, together with the Company, the "Europe Sellers"), and Morgan Philips Group S.A. ("Morgan Philips"). Pursuant to the Europe Agreement, the Europe Sellers agreed to sell to Morgan Philips all of the shares of Hudson Global Resources SAS, Hudson Global Resources Madrid SL, Hudson Global Resources Barcelona SL, Hudson Global Resources Limited and Hudson Global Resources Sp. zo.o (collectively, the "Europe Transferred Companies"). The transaction excludes the assets of the Europe Transferred Companies' RPO business, which will be transferred to other subsidiaries of the Company prior to the closing. The purchase price is \$10.5 million in cash subject to a customary purchase price adjustment for cash, debt and working capital at the closing, which is currently expected to result in estimated net proceeds of \$10.5 million.

Under the Europe Agreement, the completion of the sale is conditioned upon the Company obtaining the Stockholder Approval, Morgan Philips obtaining adequate financing to complete the transaction and other customary closing conditions. The Company expects to complete the sale in the first half of 2018. The Europe Agreement also contains customary indemnification obligations of the Europe Sellers.

Either party may terminate the Europe Agreement if the closing has not occurred by May 31, 2018 or if the other party is in material breach of the Europe Agreement and has not cured such breach. If the Europe Sellers terminate the Europe Agreement as a result of Morgan Philips' failure to close the transaction by May 31, 2018 or such earlier date that the closing conditions are satisfied due to a failure to obtain financing, then Morgan Philips is required to pay the Europe Sellers a termination fee of \$762,000. If Morgan Philips terminates the Europe Agreement as a result of the Company's failure to close the transaction by May 31, 2018 due to a failure to obtain the Stockholder Approval, then the Company is required to pay Morgan Philips a termination fee of \$500,000.

### **Item 8.01. Other Events.**

On December 17, 2017, the Company issued (i) a press release and (ii) a message to the Company's employees, in each case announcing the execution of the APAC Agreement, the Belgium Agreement and the Europe Agreement. Copies of the press release and the employee message are attached hereto as Exhibits 99.1 and 99.2, respectively.

On December 18, 2017, the Company issued messages to (i) Hudson RPO Asia Pacific employees, (ii) Hudson Recruitment U.K. employees and (iii) Hudson RPO Americas employees. Copies of those messages are attached hereto as Exhibits 99.3, 99.4 and 99.5, respectively. Also on December 18, 2017, Hudson Asia Pacific issued a press release, a copy of which is attached hereto as Exhibit 99.6.

### **Forward Looking Statements**

The statements contained in this Current Report on Form 8-K and the attachments hereto that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this Current Report on Form 8-K, including statements regarding the Company's future financial condition, results of operations, business operations and business prospects, are forward-looking statements. Words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "predict," "believe" and similar words, expressions and variations of these words and expressions are intended to identify forward-looking statements. All forward-looking statements are subject to important factors, risks, uncertainties and assumptions, including industry and economic conditions' that could cause actual results to differ materially from those described in the forward-looking statements. Such factors, risks, uncertainties and assumptions include, but are not limited to, the Company's ability to complete the sales of its recruitment and talent management operations in Europe and Asia Pacific on anticipated terms and timetable; the possibility that various closing conditions for the proposed sales may not be satisfied or waived; the Company's ability to obtain shareholder approval for the sale of substantially all of its assets as a result of the proposed sales; the Company's ability to achieve anticipated benefits from the proposed sales and operate successfully as a Company focused on its RPO business; global economic fluctuations; the Company's ability to successfully achieve its strategic initiatives; risks related to fluctuations in the Company's operating results from quarter to quarter; the ability of clients to terminate their relationship with the Company at any time; competition in the Company's markets; the negative cash flows and operating losses that may recur in the future; restrictions on the Company's operating flexibility due to the terms of its credit facilities; risks associated with the Company's investment strategy; risks related to international operations, including foreign currency fluctuations; the Company's dependence on key management personnel; the Company's ability to attract and retain highly skilled professionals; the Company's ability to collect accounts receivable; the Company's ability to maintain costs at an acceptable level; the Company's heavy reliance on information systems and the impact of potentially losing or failing to develop technology; risks related to providing uninterrupted service to clients; the Company's exposure to employment-related claims from clients, employers and regulatory authorities, current and former employees in connection with the Company's business reorganization initiatives and limits on related insurance coverage; the Company's ability to utilize net operating loss carry-forwards; volatility of the Company's stock price; the impact of government regulations; restrictions imposed by blocking arrangements; and risks related to potential acquisitions or dispositions of businesses by the Company. These forward-looking statements speak only as of the date of this Current Report on Form 8-K. The Company assumes no obligation, and expressly disclaims any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

### **Important Additional Information and Where to Find It**

This Current Report on Form 8-K does not constitute a solicitation of a vote or proxy. In connection with the proposed transactions, the Company intends to file relevant materials with the Securities and Exchange Commission ("SEC"), including a proxy statement. **INVESTORS ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE COMPANY AND THE PROPOSED TRANSACTION.** The proxy statement and certain other relevant materials (when they become available) and other documents filed by the Company with the SEC may be obtained free of charge at the SEC's website at <http://www.sec.gov>. In addition, investors may obtain copies of these documents (when they become available) free of charge by written request Hudson Global, Inc., 1325 Avenue of the Americas, 12th Floor, New York, New York 10019 or by calling (212) 351-7300.

### **Participants in the Solicitation**

The Company and its executive officers and directors may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the executive officers and directors of the Company and the number of shares of the Company's common stock beneficially owned by such persons is set forth in the proxy statement for the Company's 2017 annual meeting of stockholders which was filed with the SEC on May 1, 2017, and the Company's Annual Report on Form 10-K for the period ended December 31, 2016. Investors may obtain additional information regarding the direct and indirect interests of the Company and its executive officers and directors in the transaction by reading the proxy statement regarding the transaction when it becomes available.

**Item 9.01.**      Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

### **EXHIBIT INDEX**

**Exhibit  
Number**

- (99.1)      [Press Release of the Company, dated December 17, 2017.](#)
- (99.2)      [Hudson Global Employee Message issued on December 17, 2017.](#)
- (99.3)      [Hudson RPO Asia Pacific Employee Message issued on December 18, 2017.](#)
- (99.4)      [Hudson Recruitment U.K. Employee Message issued on December 18, 2017.](#)
- (99.5)      [Hudson RPO Americas Employee Message issued on December 18, 2017.](#)
- (99.6)      [Press Release of Hudson Asia Pacific issued on December 18, 2017.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HUDSON GLOBAL, INC.

Date: December 18, 2017

By: /s/ Stephen A. Nolan  
\_\_\_\_\_  
Stephen A. Nolan  
Chief Executive Officer

---



**For Immediate Release**

Contact: David F. Kirby  
Hudson  
212-351-7216  
[david.kirby@hudson.com](mailto:david.kirby@hudson.com)

**Hudson Global Announces Plan for Strategic Divestitures;  
Will Focus on Global RPO Business**

**NEW YORK, NY – December 17, 2017** - Hudson Global, Inc. (Nasdaq: HSON) (“Hudson”), a leading global talent solutions company, today announced it has entered into definitive purchase agreements to sell its recruitment and talent management operations in Europe and Asia Pacific to strategic buyers in three transactions. Hudson intends to focus on its growing, global recruitment process outsourcing (“RPO”) business going forward. Under the terms of the agreements, Hudson will receive estimated proceeds of \$41.2 million in cash, subject to adjustment.

**Summary of Transactions**

- Sale of Hudson’s recruitment and talent management operations in Benelux to Value Plus NV, in a management buyout led by Ivan De Witte, chief executive officer, Hudson Benelux, for \$24.7 million in estimated net proceeds, subject to customary transaction adjustments.
- Sale of Hudson’s recruitment and talent management operations in the rest of Europe to Morgan Philips Group SA (“Morgan Philips”), for \$10.5 million in estimated net proceeds, subject to customary working capital and transaction adjustments.
- Sale of Hudson’s recruitment and talent management operations in Asia Pacific to Apache Group Holdings Pty Limited (“Apache Group”), in a management buyout led by Mark Steyn, chief executive officer, Hudson Asia Pacific, for \$6.0 million in estimated net proceeds, subject to customary transaction adjustments. The buyer will assume the company’s short-term debt in Asia Pacific, which was \$6.3 million as of September 30, 2017.

“We are excited to focus on the RPO business going forward and pleased to have reached these agreements for the sale of our recruitment and talent management businesses,” said Stephen Nolan, chief executive officer at Hudson. “This decision is a result of a lengthy and thorough review of our strategic alternatives and our desire to focus on the growing RPO business. We believe these transactions are in the best interest of all stakeholders and believe these transactions will allow each of our business lines to thrive with more resources, investment and dedicated management than in our existing structure. I believe our teams will continue to have success under the leadership of Ivan De Witte in Belgium, Morgan Philips in Europe and Mark Steyn in Asia Pacific.”

## **A Strategic Focus on RPO**

- We are excited to operate as an RPO-focused company and look forward to continuing to deliver outstanding service to our clients around the globe through our regional RPO operations in the Americas, Asia Pacific and EMEA
- Hudson believes it has a strong value proposition in RPO and has a deep history in this business going back over 18 years as one of the first RPO providers in the industry
- Hudson RPO delivers high-level, professional solutions around the globe
- RPO is a dynamic business with strong growth history and growth prospects globally
- RPO is less capital intensive than recruitment, requiring less real estate and lighter back-office support
- RPO has longer-term contracts and is less cyclical than recruitment
- As of September 30, 2017, Hudson RPO delivered \$58.0 million in revenue and \$41.6 million in gross margin in the last twelve months
- Proceeds from the transactions will be used for investment in the RPO business, reduction in support staff costs, other general corporate purposes and continuing the existing share repurchase program

## **Approvals**

The transactions are expected to close in the first half of 2018, subject to the approval of the majority of the outstanding shares of Hudson and satisfaction of customary closing conditions. Hudson plans to file a proxy statement with the Securities and Exchange Commission seeking shareholder approval for the sale of substantially all of its assets as a result of the proposed sales. The Board of Directors of Hudson has unanimously approved the definitive agreements for the proposed sales and will recommend the approval of sales of substantially all of Hudson's assets to Hudson's shareholders. None of these transactions are contingent on any other transaction in order to close.

## **Transitional Services Agreement**

Until the close of the sale, all of Hudson's operations, including RPO, recruitment and talent management, will continue to operate as they do today. Once the sale process is completed, a transitional services agreement will allow each division to work together to continue delivering services to clients throughout 2018, to avoid any service disruptions.



## **Net Operating Losses and Stockholder Rights Agreement**

Hudson had net NOLs for U.S. Federal tax purposes of approximately \$326.3 million as of December 31, 2016. In order to protect the value of the NOLs, the company has a rights agreement in place that limits beneficial ownership of Hudson common stock to 4.99%. In addition, stockholders who already own more than 4.99% of Hudson common stock may not acquire additional shares without board approval.

### **Advisor**

Foley & Lardner LLP is serving as legal counsel to Hudson.

### **About Hudson**

Hudson is a global talent solutions company with expertise in leadership and specialized recruitment, recruitment process outsourcing, talent management and contracting solutions. We help our clients and candidates succeed by leveraging our expertise, deep industry and market knowledge, and proprietary assessment tools and techniques. Operating around the globe through relationships with millions of specialized professionals, we bring an unparalleled ability to match talent with opportunities by assessing, recruiting, developing and engaging the best and brightest people for our clients. We combine broad geographic presence, world-class talent solutions and a tailored, consultative approach to help businesses and professionals achieve higher performance and outstanding results.

### **About Value Plus NV**

Value Plus NV is a newly formed company led by current Hudson Belgium CEO Ivan De Witte and an MBO team from the Hudson Belgium management group. The business is a market leader in Belgium, providing innovative talent solutions to clients. The business is led by an experienced team of tenured industry professionals and was founded by expert entrepreneur and pioneer in talent management Ivan De Witte in 1982. Hudson Belgium has a team of 250 people, including consultants, researchers, R&D and support staff.

### **About Morgan Philips**

Established in 2013, Morgan Philips Group has grown to be a major international recruitment business with offices in Europe, the USA, Latin America, the Middle East and Asia. It specializes in executive search, permanent and temporary recruitment, interim management and talent management. Morgan Philips is particularly noted for its digital approach to executive search and recruitment with a number of online tools and applications, including video CVs and talent matching apps.

## About Apache Group

The newly formed company is led by current Hudson Asia Pacific CEO Mark Steyn and an MBO team with 76 years' combined tenure in the business. There is a team of over 675 employees working across 16 offices in five countries. The business will retain the Hudson brand locally, capitalizing on strong customer partnerships and building upon a 30 year track record in Australia, over 26 years in New Zealand and a 17 year track record in Asia.

## Forward-Looking Statements

This press release contains statements that the company believes to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this press release, including statements regarding the company's future financial condition, results of operations, business operations and business prospects, are forward-looking statements. Words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "predict," "believe" and similar words, expressions and variations of these words and expressions are intended to identify forward-looking statements. All forward-looking statements are subject to important factors, risks, uncertainties and assumptions, including industry and economic conditions' that could cause actual results to differ materially from those described in the forward-looking statements. Such factors, risks, uncertainties and assumptions include, but are not limited to, Hudson's ability to complete the sales of its recruitment and talent management operations in Europe and Asia Pacific on anticipated terms and timetable; the possibility that various closing conditions for the proposed sales may not be satisfied or waived; Hudson's ability to obtain shareholder approval for the sale of substantially all of its assets as a result of the proposed sales; Hudson's ability to achieve anticipated benefits from the proposed sales and operate successfully as a company focused on its RPO business; global economic fluctuations; the company's ability to successfully achieve its strategic initiatives; risks related to fluctuations in the company's operating results from quarter to quarter; the ability of clients to terminate their relationship with the company at any time; competition in the company's markets; the negative cash flows and operating losses that may recur in the future; restrictions on the company's operating flexibility due to the terms of its credit facilities; risks associated with the company's investment strategy; risks related to international operations, including foreign currency fluctuations; the company's dependence on key management personnel; the company's ability to attract and retain highly skilled professionals; the company's ability to collect accounts receivable; the company's ability to maintain costs at an acceptable level; the company's heavy reliance on information systems and the impact of potentially losing or failing to develop technology; risks related to providing uninterrupted service to clients; the company's exposure to employment-related claims from clients, employers and regulatory authorities, current and former employees in connection with the company's business reorganization initiatives and limits on related insurance coverage; the company's ability to utilize net operating loss carry-forwards; volatility of the company's stock price; the impact of government regulations; restrictions imposed by blocking arrangements; and risks related to potential acquisitions or dispositions of businesses by the company. Additional information concerning these and other factors is contained in the company's filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this document. The company assumes no obligation, and expressly disclaims any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

**Important Additional Information and Where to Find It**

This communication does not constitute a solicitation of a vote or proxy. In connection with the proposed transaction, Hudson intends to file relevant materials with the SEC, including a proxy statement. **INVESTORS ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT HUDSON AND THE PROPOSED TRANSACTION.** The proxy statement and certain other relevant materials (when they become available) and other documents filed by Hudson with the SEC may be obtained free of charge at the SEC's website at <http://www.sec.gov>. In addition, investors may obtain copies of these documents (when they become available) free of charge by written request Hudson Global, Inc., 1325 Avenue of the Americas, 12th Floor, New York, New York 10019 or by calling (212) 351-7300.

**Participants in the Solicitation**

Hudson and its executive officers and directors may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the executive officers and directors of Hudson and the number of shares of Hudson's common stock beneficially owned by such persons is set forth in the proxy statement for Hudson's 2017 annual meeting of stockholders which was filed with the SEC on May 1, 2017, and Hudson's Annual Report on Form 10-K for the period ended December 31, 2016. Investors may obtain additional information regarding the direct and indirect interests of Hudson and its executive officers and directors in the transaction by reading the proxy statement regarding the transaction when it becomes available.

###

Dear colleagues,

Today we announced some major changes in our business.

We have entered into agreements to sell the Recruitment and Talent Management operations in Europe and Asia Pacific to strategic buyers in three separate transactions, as follows:

- Sale of Hudson's Recruitment and Talent Management operations in Benelux, in a management buyout led by Ivan De Witte and team
- Sale of Hudson's Recruitment and Talent Management operations in the rest of Europe to Morgan Philips Group, led by Charles-Henri Dumon and team, including Alexis de Bretteville
- Sale of Hudson's Asia Pacific Recruitment and Talent Management operations in a management buyout led by Mark Steyn and team

Following these transactions, Hudson Global will focus on its global RPO business in the same markets we operate in today. Kimberley Hubble, Lori Hock and Darren Lancaster will continue to lead our RPO teams around the globe and will report into me.

Today's announcement is a result of a lengthy and thorough review of our strategic alternatives and our desire to focus on our growing RPO business. We believe these transactions are in the best interest of all stakeholders and will allow each of our business lines to thrive with more resources, investment and flexibility than in our existing structure.

#### **Why are we focusing on RPO?**

- We are excited to operate as an RPO-focused company and look forward to continuing to deliver outstanding service to our clients around the globe through our operations in the Americas, Asia Pacific and EMEA
- Hudson believes it has a strong value proposition in RPO and has a deep history in this business going back over 18 years as one of the first providers in the industry
- RPO delivers high-level, professional solutions around the globe and has a strong track-record of growth. It is a profitable, cash generating business with long term blue chip clients using a simpler model and less infrastructure

#### **What about Recruitment and Talent Management?**

- We believe the Recruitment and Talent Management businesses can thrive under their new structure, with a dedicated regional focus in a private company setting
- Each business can have greater access to capital and investment than would have been possible under the current Hudson structure

#### **When will these transactions close?**

While we are announcing these deals today and have signed agreements, they will not close until sometime in the first half of 2018. Given the size of the changes, we need the approval of a majority of Hudson shareholders to complete the transactions and we plan to file a proxy statement with the U.S. Securities and Exchange Commission as part of the approval process. Hudson's board of directors has unanimously approved the transactions.

---

## What happens from here?

- Nothing will change for our employees, clients and candidates day-to-day. Our clients will still be served by the same people, whether they are onsite or offsite
- They will still operate with the same technology and tools and the terms of their contracts will not be changed
- Until closing, each of our businesses will continue to operate as we do today
- Once the sale process is completed, there will be a transitional services agreement in place to allow each of our businesses – including RPO, Recruitment, Talent Management and support services – to continue to work together during 2018 to continue delivering services to each other as needed

## Where can I get more information?

Our leadership teams in each region will conduct employee meetings and conference calls today to discuss this announcement and address any questions you may have. We are also conducting outreach to our clients and candidates to update them on the news and address their questions as well.

While I know change can be difficult and distracting, I have great confidence in our global team and know each of our businesses can achieve sustained success in this new structure. And in the meantime, I know you will all continue to deliver excellent solutions for our clients and candidates on a daily basis.

And with the holiday season upon us, I hope you enjoy time with your family and friends during the days ahead. We look forward to a new horizon for Hudson in 2018.

Best regards,

Stephen Nolan

## Important Additional Information and Where to Find It

This communication does not constitute a solicitation of a vote or proxy. In connection with the proposed transaction, Hudson intends to file relevant materials with the SEC, including a proxy statement. **INVESTORS ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT HUDSON AND THE PROPOSED TRANSACTION.** The proxy statement and certain other relevant materials (when they become available) and other documents filed by Hudson with the SEC may be obtained free of charge at the SEC's website at <http://www.sec.gov>. In addition, investors may obtain copies of these documents (when they become available) free of charge by written request Hudson Global, Inc., 1325 Avenue of the Americas, 12th Floor, New York, New York 10019 or by calling (212) 351-7300.

## Participants in the Solicitation

Hudson and its executive officers and directors may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the executive officers and directors of Hudson and the number of shares of Hudson's common stock beneficially owned by such persons is set forth in the proxy statement for Hudson's 2017 annual meeting of stockholders which was filed with the SEC on May 1, 2017, and Hudson's Annual Report on Form 10-K for the period ended December 31, 2016. Investors may obtain additional information regarding the direct and indirect interests of Hudson and its executive officers and directors in the transaction by reading the proxy statement regarding the transaction when it becomes available.

---

**Subject: Hudson RPO Business Communication**

Dear All,

I am writing to you to let you know of some business changes that have been announced today by our global CEO, Stephen Nolan.

Today it was announced that Hudson has entered into three agreements to sell its recruitment and talent management operations and that Hudson will now focus on its growing RPO business. Going forward this business will trade as "Hudson RPO". The various transactions include the following:

- The Hudson Recruitment & Talent Management businesses in Asia Pacific and Belgium will be acquired by their local management teams
- The Hudson Recruitment & Talent Management businesses in the UK, France, Spain and Poland will be acquired by Morgan Philips Group
- Hudson will retain the RPO businesses globally. Within APAC, new legal entities & licenses are being established for RPO in our key markets

The sale agreements are now subject to Hudson Global shareholder approval and are expected to complete sometime in the first half of 2018.

This is not a sudden decision. Hudson's Executive Leadership has been working diligently over the past few years to focus the company in the areas that offer the greatest value to our clients and greatest opportunity for profitable growth. It has been determined that being focused on RPO is where Hudson can be most impactful and where we can provide the best long term success for our clients, colleagues & shareholders.

Moving forward, Stephen Nolan and our Regional RPO Leaders, with the full support and endorsement of the Hudson Board, will be focused on the development and expansion of our RPO business globally. We are confident that given the strength of our Hudson brand, the outstanding talent on our team, the diversity of our prestigious client base, we will be well positioned for future growth. We also know to remain at the forefront of our industry we need to invest in areas that add value to our clients and candidates. As such, the global RPO Leadership team is investigating options for investment into the areas of Technology Innovation, Diversity and Inclusion, Thought Leadership, Social Media and Branding

For employees in Asia, you will need to reassign your employment contract in early 2018 once the new entities are established.

All RPO clients will be contacted by their Account Directors today to inform them of the changes. This will be followed up by an email to all clients explaining the changes. Australian clients will also be asked to transition their existing contract to the new Australian RPO entity. Asia clients will be asked to transition their contracts in early 2018 once the new entities are established.

---

There are key messages and FAQs available for Account Directors to use to engage with clients and employees

Until the close of the sale, RPO will continue to operate as part of the Hudson business and it will be business as usual with a particular focus on delivering a great experience for you, our candidates and teams. Once the sale process has completed, there will be a transition period of approximately 3-6 months as the business separates from Hudson and moves to the global Hudson RPO business. Stephen Nolan has convened a steering committee to oversee a robust transition to steer the business through this change while maintaining business as usual operations.

I want to close by saying what an exciting opportunity this is for our global RPO business to really own our future, make decisions that are right for our clients, our people and our market. We will continue to work together to make the most of these opportunities and continue to build the RPO business, a business of which we are all incredibly proud.

Thank you

Kindest regards,

Kimberley Hubble

#### **Important Additional Information and Where to Find It**

This communication does not constitute a solicitation of a vote or proxy. In connection with the proposed transaction, Hudson intends to file relevant materials with the SEC, including a proxy statement. **INVESTORS ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT HUDSON AND THE PROPOSED TRANSACTION.** The proxy statement and certain other relevant materials (when they become available) and other documents filed by Hudson with the SEC may be obtained free of charge at the SEC's website at <http://www.sec.gov>. In addition, investors may obtain copies of these documents (when they become available) free of charge by written request Hudson Global, Inc., 1325 Avenue of the Americas, 12th Floor, New York, New York 10019 or by calling (212) 351-7300.

#### **Participants in the Solicitation**

Hudson and its executive officers and directors may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the executive officers and directors of Hudson and the number of shares of Hudson's common stock beneficially owned by such persons is set forth in the proxy statement for Hudson's 2017 annual meeting of stockholders which was filed with the SEC on May 1, 2017, and Hudson's Annual Report on Form 10-K for the period ended December 31, 2016. Investors may obtain additional information regarding the direct and indirect interests of Hudson and its executive officers and directors in the transaction by reading the proxy statement regarding the transaction when it becomes available.

---

**UK Recruitment/Talent Management email following town hall meeting****Subject: Important news about the future of Hudson**

{First name}

As you know, today we announced some exciting news about the future of Hudson:

- The Hudson recruitment and talent management businesses in the UK, France, Spain and Poland are being sold to Morgan Philips Group.
- The Hudson recruitment and talent management businesses in APAC and Belgium are being sold to the local management teams.
- The RPO business is being restructured into a global Hudson RPO business.

All of these changes are subject to shareholder approval. Assuming approval is obtained, the transactions are likely to complete in first half of 2018.

**Your questions answered.**

You will no doubt have questions about what this news means for you and our business.

To help answer your questions we have created a page on InSite with some Q&As: [LINK](#).

If your question is not covered by the Q&A page on InSite, you may submit it anonymously here (<https://www.research.net/r/Hudsonfeedback>). We will be updating the Q&As to answer your enquiries.

In addition, your director will be available to answer your questions in person.

**Introducing Morgan Philips Group.**

You can learn more about Morgan Philips Group (MPG) here ([LINK](#)).

In addition, there will be opportunities to meet members of the MPG senior team in the coming weeks and months.

**Communicating with clients, candidates and the media.**

Arrangements are in place to communicate with significant clients over the coming days. In the event that you are asked by a client or candidate about the news, please make yourself familiar with the key messages which can be found here: [LINK](#).

In the event that you receive a call from a journalist, explain that you are not authorised to comment and take a note of their question(s) and contact details (name, telephone number and email address) and send this by email to Andy Powell ([andy.powell@hudson.com](mailto:andy.powell@hudson.com)). Any emails from journalists should also be forwarded to Andy.

**Looking forward.**

This is exciting news for Hudson in the UK. We will be an important part of an entrepreneurial, ambitious and innovative group with a strong track record of growth and a commitment to using the latest technology.

While the future is exciting, it's important that we all focus on our day-to-day work and continue with our efforts to build a distinctive and profitable talent solutions business.

---



Peter Istead

### **Important Additional Information and Where to Find It**

This communication does not constitute a solicitation of a vote or proxy. In connection with the proposed transaction, Hudson intends to file relevant materials with the SEC, including a proxy statement. **INVESTORS ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT HUDSON AND THE PROPOSED TRANSACTION.** The proxy statement and certain other relevant materials (when they become available) and other documents filed by Hudson with the SEC may be obtained free of charge at the SEC's website at <http://www.sec.gov>. In addition, investors may obtain copies of these documents (when they become available) free of charge by written request Hudson Global, Inc., 1325 Avenue of the Americas, 12th Floor, New York, New York 10019 or by calling (212) 351-7300.

### **Participants in the Solicitation**

Hudson and its executive officers and directors may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the executive officers and directors of Hudson and the number of shares of Hudson's common stock beneficially owned by such persons is set forth in the proxy statement for Hudson's 2017 annual meeting of stockholders which was filed with the SEC on May 1, 2017, and Hudson's Annual Report on Form 10-K for the period ended December 31, 2016. Investors may obtain additional information regarding the direct and indirect interests of Hudson and its executive officers and directors in the transaction by reading the proxy statement regarding the transaction when it becomes available.

---

All,

Our global CEO, Stephen Nolan, has announced that Hudson has entered into definitive agreements to sell our Recruitment and Talent Management operations in the EMEA and APAC regions, further aligning to the company's strategy already executed in the Americas to focus on RPO and Outsourcing solutions globally.

Moving forward, Hudson will be laser focused on the expansion and growth of our Recruitment Process Outsourcing business globally. The Human Capital Management industry has many pillars including traditional Staffing and Recruitment, Talent Management and Outsourcing Solutions. While all of these businesses have been recognized for their growth at Hudson, it has been determined that global outsourcing solutions offers the best long term success and profitable growth opportunity both for our colleagues and our clients. Outsourcing Solutions are the fastest growing segment of the Human Capital Management space and we are confident that given the strength and talent on the team, the diversity of our prestigious clients and our commitment to further strategic investments in people, innovation and technology we are best positioned to further command our global leadership position in outsourcing solutions.

While Hudson will be focused on Outsourcing Solutions there is extensive talent on the team with deep expertise and experience in all areas of Human Capital Management and therefore our clients will continue to benefit from our resident knowledge in these areas. We have had great success in the Americas with this approach and will continue offer our clients comprehensive insights and consultation, here and around the world.

For the Americas, this is an opportunity to further leverage global shared services and collaboration to enhance our effectiveness and commitment to disciplined execution and through collaboration, benefit from future global investments. The official sale of the businesses is not expected to close until sometime in the first half of 2018 and until that time it is business as usual. Once the sale process is completed, there will be a transition plan for some period of time as there are many front and back office functions to care for during this process. We will offer our full support and lessons learned to our friends and colleagues around the world as they navigate the transition period. As a member of the Steering Committee, the Americas will actively participate in the roadmap planning in terms of what exciting opportunities lie ahead for Hudson RPO globally.

Thank you for your efforts in leading the way with regards to successfully executing a regional RPO strategy and I am excited to leverage the opportunities the global strategy will offer us. The future is bright and we are well-positioned to achieve greatness!

Best,

Lori

---

### **Important Additional Information and Where to Find It**

This communication does not constitute a solicitation of a vote or proxy. In connection with the proposed transaction, Hudson intends to file relevant materials with the SEC, including a proxy statement. **INVESTORS ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT HUDSON AND THE PROPOSED TRANSACTION.** The proxy statement and certain other relevant materials (when they become available) and other documents filed by Hudson with the SEC may be obtained free of charge at the SEC's website at <http://www.sec.gov>. In addition, investors may obtain copies of these documents (when they become available) free of charge by written request Hudson Global, Inc., 1325 Avenue of the Americas, 12th Floor, New York, New York 10019 or by calling (212) 351-7300.

### **Participants in the Solicitation**

Hudson and its executive officers and directors may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the executive officers and directors of Hudson and the number of shares of Hudson's common stock beneficially owned by such persons is set forth in the proxy statement for Hudson's 2017 annual meeting of stockholders which was filed with the SEC on May 1, 2017, and Hudson's Annual Report on Form 10-K for the period ended December 31, 2016. Investors may obtain additional information regarding the direct and indirect interests of Hudson and its executive officers and directors in the transaction by reading the proxy statement regarding the transaction when it becomes available.

---



18 December 2017

### **Hudson Global announces plan for strategic divestments**

#### ***Management buy-out for APAC Recruitment and Talent Management businesses***

SYDNEY, AUSTRALIA – Hudson Global, Inc. (Nasdaq: HSON) (Hudson Global) has entered into definitive agreements to sell its recruitment and talent management operations in Asia Pacific (APAC) in a management buy-out (MBO) led by Mark Steyn, chief executive officer, APAC.

The transaction is part of a wider strategy by Hudson Global to divest some of its global operations, including the sales of its recruitment and talent management operations in Europe, to focus on its global Recruitment Process Outsourcing (RPO) business.

Mr Steyn commented: “The decision by Hudson Global has created an opportunity for members of the APAC Executive Leadership Team to buy a business that we are proud of and to apply our experience to deliver talent management solutions for clients in the region.

“Collectively, the MBO team has 76 years’ combined experience with Hudson APAC and we are passionate about the business. We will retain the Hudson brand.”

The APAC Executive Leadership Team (ELT) participating in the MBO, in addition to Mark Steyn, includes Dean Davidson (Executive General Manager, Recruitment Australia/NZ), Amy Yates (Executive General Manager, Recruitment Asia), Simon Moylan (Executive General Manager, Talent Management) and Kendall Ryan (Chief Financial Officer). The ELT will also be supported by an experienced Board of Directors, chaired by Robert Moran.

The new Hudson APAC business consists of 16 offices, across five countries, employing a team of more than 675 people with revenue in excess of AUD300m. The proposed transaction is subject to Hudson Global shareholder approval and other customary conditions. Completion is expected in the first half of 2018.

### **Forward-Looking Statements**

This press release contains statements that the company believes to be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this press release, including statements regarding the company’s future financial condition, results of operations, business operations and business prospects, are forward-looking statements. Words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “predict,” “believe” and similar words, expressions and variations of these words and expressions are intended to identify forward-looking statements. All forward-looking statements are subject to important factors, risks, uncertainties and assumptions, including industry and economic conditions’ that could cause actual results to differ materially from those described in the forward-looking statements. Such factors, risks, uncertainties and assumptions include, but are not limited to, Hudson Global’s ability to complete the sales of its recruitment and talent management operations in Asia Pacific on anticipated terms and timetable; the possibility that various closing conditions for the proposed sales may not be satisfied or waived; Hudson Global’s ability to obtain shareholder approval for the sale of substantially all of its assets as a result of the proposed sales; Hudson Global’s ability to achieve anticipated benefits from the proposed sales and operate successfully as a company focused on its RPO business; global economic fluctuations; the company’s ability to successfully achieve its strategic initiatives; risks related to fluctuations in the company’s operating results from quarter to quarter; the ability of clients to terminate their relationship with the company at any time; competition in the company’s markets; the negative cash flows and operating losses that may recur in the future; restrictions on the company’s operating flexibility due to the terms of its credit facilities; risks associated with the company’s investment strategy; risks related to international operations, including foreign currency fluctuations; the company’s dependence on key management personnel; the company’s ability to attract and retain highly skilled professionals; the company’s ability to collect accounts receivable; the company’s ability to maintain costs at an acceptable level; the company’s heavy reliance on information systems and the impact of potentially losing or failing to develop technology; risks related to providing uninterrupted service to clients; the company’s exposure to employment-related claims from clients, employers and regulatory authorities, current and former employees in connection with the company’s business reorganization initiatives and limits on related insurance coverage; the company’s ability to utilize net operating loss carry-forwards; volatility of the company’s stock price; the impact of government regulations; restrictions imposed by blocking arrangements; and risks related to potential acquisitions or dispositions of businesses by the company. Additional information concerning these and other factors is contained in the company’s filings with the Securities and Exchange Commission (“SEC”). These forward-looking statements speak only as of the date of this document. The company assumes no obligation, and expressly disclaims any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

### **Important Additional Information and Where to Find It**

This communication does not constitute a solicitation of a vote or proxy. In connection with the proposed transaction, Hudson Global intends to file relevant materials with the SEC, including a proxy statement. **INVESTORS ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT HUDSON GLOBAL AND THE PROPOSED TRANSACTION.** The proxy statement and certain other relevant materials (when they become available) and other documents filed by Hudson Global with the SEC may be obtained free of charge at the SEC's website at <http://www.sec.gov>. In addition, investors may obtain copies of these documents (when they become available) free of charge by written request Hudson Global, Inc., 1325 Avenue of the Americas, 12th Floor, New York, New York 10019 or by calling (212) 351-7300.

### **Participants in the Solicitation**

Hudson and its executive officers and directors may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the executive officers and directors of Hudson and the number of shares of Hudson Global's common stock beneficially owned by such persons is set forth in the proxy statement for Hudson Global's 2017 annual meeting of stockholders which was filed with the SEC on May 1, 2017, and Hudson Global's Annual Report on Form 10-K for the period ended December 31, 2016. Investors may obtain additional information regarding the direct and indirect interests of Hudson Global and its executive officers and directors in the transaction by reading the proxy statement regarding the transaction when it becomes available.

**ENDS**

**- ENDS -**