

ON ASSIGNMENT INC
Form PREM14A
April 03, 2012

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 under Rule 14a-12

ON ASSIGNMENT, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

Common Stock, par value \$0.01 per share, of On Assignment, Inc.

(2) Aggregate number of securities to which transaction applies:

17,485,898 shares of common stock (the maximum number of shares issuable pursuant to the merger)

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

\$17.45 per share of On Assignment common stock. For purposes of this determination, in accordance with paragraph (a)(4) and (c)(1)(i) of Exchange Act Rule 0-11, the price per share of On Assignment common stock to be issued in the merger is equal to the average of the high and low prices of On Assignment common stock as reported on the NASDAQ Global Select Market on March 28, 2012 (a date within five business days prior to the filing of this preliminary Proxy Statement). In accordance with Section 14(g) of the Exchange Act, the filing fee was determined by multiplying 0.0001146 by the maximum aggregate value of the merger, which was determined based upon the sum of (a) 17,485,898 shares of On Assignment common stock multiplied by the per share value of On Assignment common stock equal to \$17.45 as determined above, plus (b) \$383,000,000 in cash.

(4) Proposed maximum aggregate value of transaction:

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\$688,128,920

(5)

Total fee paid:

\$78,860

oFee paid previously with preliminary materials.

oCheck box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)

Amount Previously Paid:

(2)

Form, Schedule or Registration Statement No.:

(3)

Filing Party:

(4)

Date Filed:

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26745 Malibu Hills Road
Calabasas, California 91301

, 2012

Dear Shareholder:

On behalf of your Board and management, you are cordially invited to attend the 2012 Annual Meeting of Shareholders of On Assignment, Inc., at which you will be asked to vote upon a proposal relating to the merger between a subsidiary of On Assignment, Inc. and Apex Systems, Inc., a Virginia corporation, as well as other matters. Upon completion of the merger, based on the amount of shares of On Assignment common stock outstanding as of March 31, 2012 of 37,575,777 shares, On Assignment shareholders prior to the merger will own between 68.2% and 72.4% of On Assignment's outstanding shares of common stock and the Apex Systems shareholders prior to the merger will own between 27.6% and 31.8% of On Assignment's outstanding shares of common stock.

We believe the merger will create a strong company that will deliver important benefits to our shareholders. We enthusiastically support the merger and recommend that you vote "FOR" the proposal related to the merger (which is the share issuance proposal), each of the Board's nominees and the other proposals described in the accompanying Notice of Annual Meeting of Shareholders and Proxy Statement.

The Annual Meeting will be held on , May , 2012, at 10:00 a.m. Pacific Daylight Time, at our corporate headquarters located at 26745 Malibu Hills Road, Calabasas, California 91301.

The Notice of Annual Meeting of Shareholders and Proxy Statement accompanying this letter describe the business to be acted upon.

Before voting, you should carefully review all the information contained in the accompanying Proxy Statement. For a discussion of risk factors which you should consider in evaluating the merger, please see "RISK FACTORS" beginning on page 15 of the accompanying Proxy Statement.

Your vote is important no matter how many shares you own. In order to ensure that your shares will be represented at the Annual Meeting, we have enclosed a proxy card by which you can direct the voting of your shares. Please sign and promptly return the enclosed proxy card whether or not you plan to attend the Annual Meeting. If you attend the Annual Meeting and desire to vote in person, you may do so even though you have previously submitted your proxy card.

We thank you for your continued interest in On Assignment, Inc. and look forward to seeing you at the Annual Meeting.

Sincerely,

Peter T. Dameris
President and Chief Executive Officer

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26745 Malibu Hills Road
Calabasas, California 91301

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held on , May , 2012

The 2012 Annual Meeting of Shareholders of On Assignment, Inc. will be held on , May , 2012, at 10:00 a.m. Pacific Daylight Time, at our corporate headquarters located at 26745 Malibu Hills Road, Calabasas, California 91301, for the purpose of considering and voting upon:

- 1.a proposal to approve the issuance of up to 17,485,898 shares of On Assignment common stock in the merger contemplated by the Agreement of Merger, dated as of March 20, 2012, by and among On Assignment, Inc., OA Acquisition Corp., a Virginia corporation, Apex Systems, Inc., a Virginia corporation, and Jeffrey E. Veatch, as the representative of the shareholders of Apex Systems;
- 2.the election of Jeremy M. Jones and Edward L. Pierce as directors for three-year terms to expire at our 2015 Annual Meeting;
- 3.an advisory vote to approve named executive officer compensation;
- 4.the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012; and
- 5.such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this notice. The expenses of printing proxy materials, including expenses involved in forwarding materials to beneficial owners of stock will be paid by On Assignment, Inc. Only shareholders of record at the close of business on April , 2012 are entitled to notice of and to vote at the Annual Meeting.

All shareholders are cordially invited to attend the Annual Meeting in person. Please call (818) 878-7900 to obtain directions. However, to ensure your representation at the Annual Meeting, you are urged to sign and return the enclosed proxy card as promptly as possible in the envelope enclosed for that purpose. Any shareholder of record attending the Annual Meeting may vote in person even if he or she has previously returned a proxy card. If you hold your shares in "street name," you must obtain a proxy in your name from your bank, broker or other holder of record in order to vote by ballot at the Annual Meeting.

By Order of the Board,

Tarini Ramaprakash
Secretary

, 2012
Calabasas, California

2012 PROXY STATEMENT
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On Assignment, Inc.
26745 Malibu Hills Road
Calabasas, California 91301

PROXY STATEMENT

For the Annual Meeting of Shareholders to be Held

, May , 2012

On Assignment, Inc. (the Company, On Assignment, we, our, us) is providing these proxy materials in connection with the solicitation by the Board of Directors of On Assignment, Inc. (the Board) of proxies to be voted at On Assignment's 2012 Annual Meeting of Shareholders to be held on , May , 2012 at 10:00 a.m. Pacific Daylight Time, or at any adjournment or postponement thereof. This Proxy Statement, the proxy card and On Assignment's Annual Report to Shareholders will be mailed to each shareholder entitled to vote at the 2012 Annual Meeting of Shareholders commencing on or about , 2012.

GENERAL INFORMATION ABOUT THE MERGER, ANNUAL MEETING AND VOTING

The following questions and answers address briefly some questions you may have regarding the matters to be voted upon at the Annual Meeting. These questions and answers may not address all questions that may be important to you as an On Assignment shareholder. Please refer to the more detailed information contained elsewhere in this Proxy Statement, the annexes to this Proxy Statement and the documents referred to or incorporated by reference in this Proxy Statement. In this Proxy Statement, the term "Apex Systems" refers to Apex Systems, Inc., a Virginia corporation.

Who is soliciting my vote?

The Board of On Assignment is soliciting your vote at the 2012 Annual Meeting of Shareholders.

How does this Annual Meeting differ from On Assignment's typical Annual Meeting?

In addition to the annual task of electing directors, conducting an advisory vote on executive compensation and ratifying the appointment of our independent registered public accounting firm, our shareholders will be asked to vote upon a proposal relating to a merger with Apex Systems (which we refer to in this Proxy Statement as the "merger") which, if completed, will significantly expand our scale of operations, increase our geographic scope, and position us for future growth by adding substantial customers, client relationships and other financial and operational resources.

Why has On Assignment decided to merge with Apex Systems?

We believe that the merger will provide substantial strategic and financial benefits to our company, our shareholders and our customers, including the following:

- increased size and scale of our company;
- complimentary areas of expertise for our businesses; and
- accretive impact to our earnings per share.

Please see “Reasons for the Merger” beginning on page 21 for a detailed discussion of the reasons for and benefits of the merger.

When do you expect the merger to be completed?

We hope to complete the merger as soon as reasonably practicable. We are working to complete the merger by the end of the second quarter of 2012. We cannot consummate the merger until the On Assignment shareholders approve the proposal related to the merger described in this Proxy Statement and until the other conditions set forth in the Agreement of Merger, dated as of March 20, 2012, by and among On Assignment, OA Acquisition Corp., a Virginia corporation, Apex Systems, and Jeffrey E. Veatch, as the representative of the shareholders of Apex systems (which we refer to in this Proxy Statement as the “Merger Agreement”), are satisfied or waived by the respective parties to the Merger Agreement. In addition, other factors outside of our control could require us to complete the merger at a later time or not to complete it at all. For a discussion of the conditions to the completion of the merger and of the risks associated with the failure to satisfy such conditions, please see “The Merger Agreement” beginning on page 32 and “Risk Factors—The merger may not be completed, which could adversely affect On Assignment’s business operations and stock price.” on page 15.

What are the specific proposals that shareholders will consider with respect to the merger?

There is one proposal related to the merger:

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Proposal 1: a proposal to approve the issuance of up to 17,485,898 shares of On Assignment common stock in the merger contemplated by the Merger Agreement, referred to in this Proxy Statement as the “share issuance proposal.”

What other proposals will be voted on at the Annual Meeting?

The other items scheduled to be voted on at the Annual Meeting are:

Proposal 2: the election of Jeremy M. Jones and Edward L. Pierce as directors for three-year terms to expire at our 2015 Annual Meeting;

Proposal 3: an advisory vote to approve named executive officer compensation;

Proposal 4: the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012; and

such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

If any such other matters properly come before the Annual Meeting or any adjournments or postponements thereof, the persons named as proxies shall vote the shares represented thereby in their discretion.

Are there risks I should consider in deciding how to vote on the share issuance proposal?

Yes. In evaluating the share issuance proposal, you should carefully read this Proxy Statement, including the factors discussed in the section “Risk Factors” beginning on page 15. You are urged to read this Proxy Statement in its entirety prior to voting or submitting a proxy.

What is included in the proxy materials?

Proxy materials include this Proxy Statement for the Annual Meeting and the Company’s Annual Report on Form 10-K. This Proxy Statement and our Annual Report on Form 10-K filed with the SEC on March 14, 2012 are available free of charge on our website (<http://www.onassignment.com>).

Who may vote at the Annual Meeting?

The Board has set April , 2012, as the record date for the Annual Meeting. If you were the owner of shares of On Assignment, Inc. common stock at the close of business on April , 2012, you may vote at the Annual Meeting. You are entitled to one vote for each share of common stock you held on the record date, including shares:

- held directly in your name with our transfer agent as a “holder of record”; and
- held for you in an account with a broker, bank or other nominee (shares held in “street name”).

A list of shareholders entitled to vote at the Annual Meeting will be open to the examination of any shareholder, for any purpose germane to the Annual Meeting, during normal business hours for a period of ten days before the Annual Meeting at our corporate offices at 26745 Malibu Hills Road, Calabasas, California 91301, and at the time and place of the Annual Meeting.

How many shares must be present to hold the meeting?

A majority of On Assignment's outstanding shares of common stock as of the record date must be present in person or represented by proxy at the Annual Meeting in order to hold the meeting and conduct business. This is called a quorum. Abstentions and broker non-votes will be counted for purposes of establishing a quorum at the meeting. On March 31, 2012, there were 37,575,777 shares of On Assignment common stock outstanding.

How many votes are required to approve each item?

The share issuance proposal requires a FOR vote of the holders of a majority of the total votes cast on the proposal. The actions contemplated by the share issuance proposal, even if approved by our shareholders, will not occur unless we complete the merger.

Directors are elected by a plurality of the votes cast at the Annual Meeting. This means that the nominees who receive the largest number of FOR votes cast will be elected as directors.

The advisory vote on executive compensation requires a FOR vote of the holders of a majority of the shares having voting power present in person or represented by proxy at the Annual Meeting.

The ratification of the appointment of the independent accountants requires the FOR vote of the holders of a majority of the shares having voting power present in person or represented by proxy at the Annual Meeting.

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How may I cast my votes?

You may vote FOR, AGAINST or ABSTAIN on the vote on the share issuance proposal.

You may either vote FOR or WITHHOLD AUTHORITY TO VOTE for the director nominees. If you withhold authority to vote with respect to the director nominees, your shares will be counted for purposes of establishing a quorum, but will have no effect on the election of the nominees.

You may vote FOR, AGAINST or ABSTAIN on the advisory vote on executive compensation and the ratification of the appointment of our independent accountants.

If you sign and submit your proxy card without voting instructions, your shares will be voted FOR the share issuance proposal, FOR the director nominees put forth by the Board, FOR the approval of the advisory vote on executive compensation and FOR the appointment of Deloitte & Touche LLP as our independent accountants.

What if I abstain from voting?

If you attend the Annual Meeting or send in your signed proxy card, but abstain from voting on any proposal, your shares will still be counted for purposes of determining whether a quorum exists. If you abstain from voting on the advisory vote on executive compensation and the appointment of our independent accountants, your abstention will have the same effect as a vote against the proposals. If you abstain from voting on the share issuance proposal, your abstention will have no effect on the outcome of the vote on the share issuance proposal.

Will my shares be voted if I do not sign and return my proxy card or vote in person?

If you do not sign and return your proxy card or vote in person, your shares will not be voted at the Annual Meeting. If your shares are held in "street name" and you do not issue instructions to your broker, your broker may vote your shares at its discretion on routine matters, but may not vote your shares on non-routine matters. If a broker who holds shares for another person does not vote on a particular proposal because that broker does not have discretionary voting power for the proposal and has not received voting instructions from the owner of the shares, then a "broker non-vote" will occur. It is important that you vote your shares.

The share issuance proposal, the election of directors and the advisory vote on executive compensation are non-routine matters, whereas the appointment of our independent accountants is a routine matter. Therefore, if your shares are held in "street name" by your broker and you do not provide your broker with instructions on how to vote your "street name" shares, your broker will not be permitted to vote on the share issuance proposal, the election of directors or the advisory vote on executive compensation. However, with regards to the appointment of our independent accountants, your broker will be permitted to vote your shares as its discretion. You should therefore be sure to provide your broker with instructions on how to vote your shares. Please check the voting form used by your broker to see if it offers telephone or Internet submission of proxies.

Broker non-votes are counted as present for purposes of determining the presence or absence of a quorum for the transaction of business, but they will not be counted for purposes of determining whether the proposals have been approved.

How does the Board recommend that I vote?

The Board recommends that you vote your shares:

Proposal 1: FOR the share issuance proposal regarding the issuance of up to 17,485,898 shares of On Assignment common stock in the merger;

Proposal 2: FOR Mr. Jones and Mr. Pierce, the director nominees named in this Proxy Statement;

Proposal 3: FOR the proposal regarding an advisory vote to approve named executive officer compensation; and

Proposal 4: FOR the ratification of the appointment of Deloitte & Touche LLP as our independent accountants.

What do I need to do now?

After carefully reading and considering the information in this Proxy Statement, please submit your proxy in accordance with the instructions set forth in the enclosed proxy card, or fill out, sign and date the proxy card, and then mail your signed proxy card in the enclosed prepaid envelope so that your shares may be voted at the Annual Meeting.

Do I need to send in my stock certificates if the merger is completed?

No. You will not be required to exchange your certificates representing shares of On Assignment common stock in connection with the merger. Apex Systems is merging with a wholly owned subsidiary of On Assignment. In the merger, On Assignment will issue additional shares of its common stock to the shareholders of Apex Systems in exchange for their shares of Apex Systems common stock. The previously outstanding shares of On Assignment common stock will continue to remain outstanding following the merger. You will not receive any cash or securities in connection with the merger, but instead you will continue to hold your existing shares of On Assignment common stock.

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How do I vote my shares without attending the Annual Meeting?

Shareholders of Record. If you hold shares directly in your name with On Assignment's transfer agent, Computershare Investor Services, you are a shareholder of record and you may direct your vote without attending the Annual Meeting. You may vote by signing and dating your proxy card and mailing it in the postage-paid envelope provided. You should sign your name exactly as it appears on the proxy card. If you are signing in a representative capacity (for example, as guardian, executor, trustee, custodian, attorney or officer of a corporation), you should indicate your name and title or capacity.

Beneficial Owner of Shares/Shares Held in Street Name. If you hold shares in "street name," you may direct your vote without attending the Annual Meeting by following the voting directions provided by your broker, bank, broker-dealer or similar organization. You may complete and mail a voting instruction card to your broker or nominee or, in most cases, submit voting instructions by telephone or the Internet. If you provide specific voting instructions by mail, telephone or the Internet, your shares will be voted by your broker or nominee as you have directed.

How do I vote my shares in person at the Annual Meeting?

Even if you plan to attend the Annual Meeting, we encourage you to vote by signing, dating and returning the enclosed proxy card so your vote will be counted if you later decide not to attend the Annual Meeting.

If you choose to vote in person at the Annual Meeting:

- if you are a shareholder of record, you may vote by the ballot to be provided at the Annual Meeting; or
- if you hold your shares in "street name," you must obtain a proxy in your name from your bank, broker or other holder of record in order to vote by ballot at the Annual Meeting.

Please call (818) 878-7900 to obtain directions to attend the Annual Meeting.

What happens if my shares are held in more than one account?

If your shares are held in more than one account, you will receive a proxy card for each account. To ensure that all of your shares in each account are voted, you must sign, date and return each proxy card you receive.

If you and other residents at your mailing address own shares of On Assignment stock in "street name," your bank, broker or other holder of record may have notified you that your household will receive only one Annual Report and Proxy Statement for each company in which you hold stock through that bank, broker or other holder of record. This practice is known as "householding." Unless you responded that you did not want to participate in householding, you were deemed to have consented to the process. Therefore, your bank, broker or other holder of record will send only one copy of our Annual Report and Proxy Statement to your address. Each shareholder in your household will continue to receive a separate voting instruction form.

If you would like to receive your own set of our Annual Report and Proxy Statement in the future, or if you share an address with another On Assignment shareholder and together both of you would like to receive only a single set of On Assignment annual disclosure documents, please contact our Investor Relations department by telephone at (818) 878-3136. As a part of this process, you will be asked to provide your name, the name of your bank, broker or other holder of record and your account number. The revocation of your consent to householding should be effective 30 days following receipt of your instructions.

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If you did not receive an individual copy of this year's Annual Report or Proxy Statement, we will send a copy to you upon a written or oral request. Written requests for such copies should be addressed to On Assignment, Inc., Attention: Investor Relations, 26745 Malibu Hills Road, Calabasas, California 91301. Please contact our Investor Relations department by telephone at (818) 878-3136 with any oral requests for such copies.

May I revoke my proxy and change my vote?

You may revoke your proxy at any time before it is voted by:

- submitting a properly signed proxy card with a later date;
- delivering to the Secretary of On Assignment a written revocation notice bearing a later date than the proxy card; or
- voting in person at the Annual Meeting.

How can I find out the results of the Annual Meeting?

The preliminary voting results will be announced at the Annual Meeting. The final voting results will be published on a Form 8-K which will be filed with the SEC within four business days after the Annual Meeting.

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SUMMARY

This summary highlights selected information from this Proxy Statement with respect to the proposed merger and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the Merger Agreement and the related agreements, you should carefully read this entire Proxy Statement. Please see “Where You Can Find Additional Information” beginning on page 98. We have included references to other portions of this Proxy Statement to direct you to a more complete description of the topics presented in this summary, which you should review carefully in their entirety.

The Companies (see page 17)

On Assignment and OA Acquisition Corp., 26745 Malibu Hills Road, Calabasas, California 91301 (818) 878-7900.

On Assignment is a diversified professional staffing firm providing flexible and permanent staffing solutions in specialty skills including Life Sciences, Healthcare, Physician, and Information Technology and Engineering. We provide clients in these markets with short-term or long-term assignments of contract professionals, contract-to-permanent placement and direct placement of these professionals. Our business consists of four operating segments: Life Sciences, Healthcare, Physician and Information Technology and Engineering.

OA Acquisition Corp. is a Virginia corporation and a wholly owned subsidiary of On Assignment. It was formed solely for the purposes of entering into the Merger Agreement with On Assignment and Apex Systems and completing the merger. It has not conducted any business operations other than those contemplated by the Merger Agreement.

Apex Systems, Inc., 4400 Cox Road, Suite 200, Glen Allen, Virginia 23060 (804) 342-9090.

Apex Systems is an information technology staffing and services firm specializing in recruiting and placing information technology professionals for contract, contract-to-hire and direct placements. Apex Systems also offers related workforce solutions to their clients. Apex Systems was founded in 1995 and is headquartered in Richmond, Virginia. As of March 31, 2012, Apex Systems has a presence in 49 markets throughout the United States, approximately 1,000 full-time employees and over 950 clients.

The Merger (see page 17) and the Merger Agreement (see page 32)

In the merger, OA Acquisition Corp. will merge with and into Apex Systems, with Apex Systems surviving the merger and continuing as a wholly owned subsidiary of On Assignment.

The merger will be completed only after the satisfaction or waiver of the conditions to the completion of the merger set forth in the Merger Agreement. The Merger Agreement as executed is attached as Annex A to this Proxy Statement. We encourage you to read the Merger Agreement carefully and fully, as it is the legal document that governs the merger.

Merger Consideration (see page 33)

In the merger, On Assignment will pay \$383 million in cash (subject to various adjustments) and issue between 14,304,548 and 17,485,898 shares of On Assignment common stock to the Apex Systems shareholders in exchange for their shares of Apex Systems common stock. Upon completion of the merger, based on the amount of shares of On Assignment common stock outstanding as of March 31, 2012 of 37,575,777 shares, On Assignment shareholders prior to the merger will own between 68.2% and 72.4% of On Assignment’s outstanding shares of common stock and Apex Systems shareholders prior to the merger will own between 27.6% and 31.8% of On Assignment’s outstanding

shares of common stock. In this Proxy Statement, we refer to the Apex Systems shareholders immediately prior to the merger, who will receive On Assignment common stock in connection with the merger, as “the former Apex Systems shareholders,” and to Jeffrey E. Veatch, in his capacity as the representative of the former Apex Systems shareholders in connection with the merger, as “the Shareholder Representative.”

Based on the closing price per share of On Assignment common stock of \$13.68 on March 20, 2012, which is the date on which we publicly announced execution of the Merger Agreement after the end of the full trading day, the dollar value of the shares of On Assignment common stock to be issued as consideration for the merger was approximately \$217 million. On a preliminary basis, we estimate that the purchase price will be allocated to the net assets of Apex Systems as follows:

- Net tangible assets as of December 31, 2011 at estimated fair value: \$71.9 million
 - Identifiable intangible assets: \$284.3 million
 - Goodwill: \$243.8 million

The preliminary estimated amount of goodwill resulting from the merger of \$243.8 million generally represents the value of Apex System’s geographic market presence, customer base, management team and staffing platform, growth opportunities and the ability of these elements to contribute to the generation of significant future cash flows.

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Based on these amounts, and after reflecting the pro forma adjustments described in the section of this Proxy Statement entitled “Unaudited Pro Forma Condensed Combined Financial Statements” beginning on page 51, the pro forma diluted earnings per common share of On Assignment for the year ended December 31, 2011 is \$0.58. The unaudited pro forma condensed combined financial statements apply certain assumptions and adjustments which are based upon available information and assumptions that the managements of On Assignment and Apex Systems believe reasonably reflect the merger.

The Investor Rights Agreement (see page 40)

In connection with the closing of the merger, On Assignment, the Shareholder Representative and the former Apex Systems shareholders who will become On Assignment shareholders pursuant to the merger will enter into an Investor Rights Agreement. In this Proxy Statement, we refer to this agreement as the “Investor Rights Agreement.”

The Investor Rights Agreement imposes certain restrictions on, and provides certain rights to, the former Apex Systems shareholders, in particular with respect to the shares of On Assignment common stock they will receive in the merger. The terms of the Investor Rights Agreement (i) provide the Shareholder Representative the right to designate up to two directors to the Board, (ii) provide that certain of the former Apex Systems shareholders must vote their shares in favor of matters approved by the Board that are subject to a vote of On Assignment shareholders for a period of 12 months from the closing, and (iii) include provisions intended to prevent a disorderly sale of the shares of On Assignment common stock to be issued in the merger.

The Investor Rights Agreement includes further voting restrictions providing that until the date on which Brian J. Callaghan, Edwin A. Sheridan, IV and Jeffrey E. Veatch collectively own less than 10% of the outstanding shares of On Assignment common stock, Messrs. Callaghan, Sheridan and Veatch must be present, in person or by proxy, at all shareholders’ meetings of On Assignment so that all their shares of On Assignment common stock may be counted for purposes of determining the presence of a quorum at the meetings.

In addition, the Investor Rights Agreement includes transfer restrictions with respect to the shares of On Assignment common stock to be received in the merger. These restrictions provide that none of the former Apex Systems shareholders may sell or otherwise transfer any shares of On Assignment common stock for three years after the completion of the merger (subject to certain exceptions and limitations, including, but not limited to, sales pursuant to certain registered offerings). The Investor Rights Agreement also provides the former Apex Systems shareholders with registration rights with respect to their shares of On Assignment common stock acquired pursuant to the merger. The former Apex Systems shareholders have certain rights to require On Assignment to register their shares of On Assignment common stock for public resale under the terms of the Investor Rights Agreement. In addition, if we propose to register any of our shares in a registered public offering, the former Apex Systems shareholders have a right to include their shares in such offering through a valid piggyback registration of shares, subject to the right of the underwriters of an offering to limit the number of shares included in such registration. Certain of the former Apex Systems shareholders also have a right to transfer shares pursuant to a Rule 10b5-1 plan.

Please see “The Investor Rights Agreement” beginning on page 40 for a description of the terms of the Investor Rights Agreement.

The Share Issuance Proposal (see page 18)

At the Annual Meeting, among other matters, the holders of On Assignment common stock will be asked to consider and vote on the following proposal related to the merger:

Proposal 1: A proposal to approve the issuance of up to 17,485,898 shares of On Assignment common stock in the merger contemplated by the Merger Agreement.

The action contemplated by this proposal, even if approved by our shareholders, will not occur unless we complete the merger.

THE MERGER WILL NOT BE COMPLETED UNLESS, AMONG OTHER THINGS, THE ON ASSIGNMENT SHAREHOLDERS APPROVE THE SHARE ISSUANCE PROPOSAL. UNDER THE MERGER AGREEMENT, COMPLETION OF THE MERGER IS SUBJECT TO THE SATISFACTION (OR, IF LEGALLY PERMITTED, WAIVER) OF SPECIFIED CLOSING CONDITIONS. APPROVAL BY THE ON ASSIGNMENT SHAREHOLDERS OF THE SHARE ISSUANCE PROPOSAL IS SUCH A CONDITION, WHICH MAY NOT BE WAIVED BY EITHER ON ASSIGNMENT OR APEX SYSTEMS.

Required Shareholder Approvals (see page 38)

Under the NASDAQ Global Select Market rules, approval of the share issuance proposal requires the affirmative vote of the holders of a majority of the total votes cast on the proposal.

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Under the Merger Agreement, completion of the merger is subject to the satisfaction (or, if legally permitted, waiver) of specified closing conditions. Approval by On Assignment shareholders of the share issuance proposal is one of these conditions, and neither Apex Systems nor On Assignment may waive this condition.

On the record date, directors and executive officers of On Assignment and their affiliates beneficially owned or had the right to vote shares of On Assignment common stock representing approximately % of the shares of On Assignment common stock outstanding on the record date. To On Assignment's knowledge, directors and executive officers of On Assignment and their affiliates intend to vote their shares of On Assignment common stock in favor of the share issuance proposal.

Recommendations of the Board (see page 33)

The Board unanimously (i) determined that it was advisable to and in the best interests of On Assignment and its shareholders for On Assignment to execute, deliver and perform its obligations under the Merger Agreement and to consummate the transactions contemplated thereby, including the merger and the issuance of On Assignment shares in connection with the merger, (ii) adopted resolutions approving the Merger Agreement and the transactions contemplated thereby and (iii) recommended that On Assignment's shareholders vote for the share issuance proposal.

THE BOARD RECOMMENDS THAT ON ASSIGNMENT SHAREHOLDERS VOTE "FOR" THE SHARE ISSUANCE PROPOSAL.

Opinion of On Assignment's Financial Advisor (see page 24)

On March 19, 2012, Moelis & Company LLC (which we refer to in this Proxy Statement as "Moelis"), financial advisor to On Assignment in connection with the merger, delivered its oral opinion to the Board, which was subsequently confirmed by delivery of Moelis' written opinion, dated March 19, 2012, to the effect that, as of such date, subject to assumptions and qualifications described in the opinion, the consideration to be paid by On Assignment in the merger was fair from a financial point of view to On Assignment.

The full text of Moelis' opinion is attached as Annex B to this Proxy Statement. Moelis' opinion was provided to the Board for the use and benefit of the Board in its evaluation of the merger. Moelis' opinion is directed only to the fairness from a financial point of view to On Assignment of the consideration paid by On Assignment in connection with the merger. The opinion does not address On Assignment's underlying business decision to effect the merger or the relative merits of the merger as compared to any alternative business strategies or transactions that might be available to On Assignment.

The opinion does not constitute a recommendation to any shareholder of On Assignment as to how such shareholder should vote with respect to the merger or any other matter. On Assignment encourages you to read Moelis' opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Moelis.

Risk Factors (see page 15)

There are a number of significant risks related to the merger, including the following:

- If the public markets assign lower values to the Apex Systems business than the values used in negotiating the terms of the merger, the trading price of On Assignment common stock may decline;

-

The merger may not be completed, which could adversely affect On Assignment's business operations and stock price;

- The issuance of shares of On Assignment common stock in the merger will substantially reduce the percentage interests of current On Assignment shareholders in the earnings, voting power and market value of On Assignment;
 - On Assignment will incur significant transaction, compliance and other merger-related fees and costs;
- The public resale by former Apex Systems shareholders of On Assignment common stock received in the merger could have a negative effect on the trading price of On Assignment common stock following completion of the merger;
- On Assignment will record goodwill and identifiable intangible assets that could become impaired and adversely affect its operating results; and

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- On Assignment will have continuing obligations, which will impact its business and corporate governance.

In addition, On Assignment will be subject to a number of significant risks related to the markets in which it will operate as well as other risks, including the following:

- If Apex Systems is unable to sustain its rate of growth, the growth prospects and future results of On Assignment are likely to be adversely affected.

Conditions to the Completion of the Merger (see page 38)

The completion of the merger is subject to the satisfaction or, to the extent legally permissible, the waiver of a number of conditions in the Merger Agreement, such as:

- the following conditions in favor of both On Assignment and Apex Systems (subject to certain limitations and exceptions):
 - the approval by On Assignment shareholders of the share issuance proposal;
- the expiration or termination of the waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (which condition we expect to be satisfied on April 30, 2012);
- the absence of any law, judgment, injunction or other order by a governmental entity prohibiting or enjoining completion of the merger;
- the receipt of the approval for listing by the NASDAQ Global Select Market of On Assignment common stock to be issued pursuant to the merger, subject to the official notice of issuance of the stock;
- compliance in all material respects by the parties with their respective obligations under the Merger Agreement;
- the absence of breaches of representations and warranties in the Merger Agreement, subject to a material adverse effect qualification;
 - the following conditions in favor of Apex Systems (subject to certain limitations and exceptions):
- the absence since December 31, 2011 of any change, event or development that has had a material adverse effect on On Assignment;
 - receipt of payment by On Assignment of the merger consideration;
- the following conditions in favor of On Assignment (subject to certain limitations and exceptions):
- the receipt of required third-party consents under certain contracts, agreements, licenses, orders or other commitments;
- the absence since December 31, 2011 of any change, event or development that has had a material adverse effect on Apex Systems; and
 - the receipt of financing for the merger.

Termination of the Merger Agreement (see page 39)

The Merger Agreement may be terminated at any time prior to the completion of the merger in any of the following ways:

- by mutual written consent of On Assignment and Apex Systems;
- by either On Assignment or Apex Systems (subject to certain limitations and exceptions):
- if the merger has not been completed by July 18, 2012 (or such other date to which On Assignment and Apex Systems may agree upon in writing); or

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- if a court or other governmental entity issues an order or injunction preventing completion of the merger, and such order or injunction is final and cannot be appealed;
 - by On Assignment (subject to certain limitations and exceptions):
- if there has been an uncured breach of any representation, warranty, covenant or other agreement made by Apex Systems in the Merger Agreement, and the breach or failure to perform would result in the applicable closing condition to the merger not being satisfied; and
 - by Apex Systems (subject to certain limitations and exceptions):
- if there has been an uncured breach of any representation, warranty, covenant or other agreement made by On Assignment or Merger Sub in the Merger Agreement, and the breach or failure to perform would result in the applicable closing condition to the merger not being satisfied.

NASDAQ Listing (see page 29)

It is a condition to the merger that the shares of On Assignment common stock to be issued in the merger be approved for listing on the NASDAQ Global Select Market, subject to official notice of issuance. Shares of On Assignment common stock will continue to be traded on the NASDAQ Global Select Market under the symbol “ASGN” immediately following the completion of the merger.

Appraisal Rights (see page 29)

Holders of On Assignment common stock do not have dissenters or appraisal rights under Delaware law in connection with the merger.

Material United States Federal Income Tax Consequences to Existing On Assignment Shareholders (see page 28)

The existing On Assignment shareholders generally should not be subject to any material United States federal income tax consequences solely as a result of the merger.

Anticipated Accounting Treatment (see page 28)

The merger will be accounted for using the acquisition method of accounting in accordance with accounting principles generally accepted in the United States (GAAP) under Accounting Standards Codification (ASC) Topic 805, Business Combinations (ASC 805). On Assignment will be the acquiring entity for financial reporting purposes and Apex Systems will be treated as the “acquired” company for financial reporting purposes, and the assets and liabilities of Apex Systems will be recorded, as of the completion of the merger, based on their estimated fair values and added to those of On Assignment.

Additional Interests of Directors, Executive Officers and Certain Beneficial Owners (see page 30)

In connection with the merger, none of our directors or officers will receive any transaction bonuses, none of their existing equity awards will vest or become payable on an accelerated basis, and no director or officer of On Assignment has any “change of control” arrangement under an employment agreement or any pension or other benefit plan that would entitle such director or officer to additional compensation or other benefits following completion of the merger.

Selected Historical Data

On Assignment Selected Historical Financial Information

The selected historical financial data set forth below is derived in part from and should be read together with On Assignment's consolidated financial statements, the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," which are included in previously filed annual reports on Form 10-K of On Assignment. The consolidated statement of income data for each of the years ended December 31, 2007, 2008, 2009, 2010 and 2011 and the consolidated balance sheet data as of December 31, 2007, 2008, 2009, 2010 and 2011 were derived from On Assignment's audited consolidated financial statements, which are included in previously filed annual reports on Form 10-K of On Assignment. Historical results are not necessarily indicative of results to be expected for future periods.

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	Year Ended December 31,				
	(in thousands, except share and per share data)				
	2011	2010	2009	2008	2007
Revenues	\$597,281	\$438,065	\$416,613	\$618,058	\$567,180
Cost of services	397,176	288,609	280,245	418,602	387,643
Gross profit	200,105	149,456	136,368	199,456	179,537
Selling, general and administrative expenses	155,706	130,830	121,141	155,942	151,942
Impairment of goodwill	-	15,399	-	-	-
Operating income	44,399	3,227	15,227	43,514	27,595
Interest expense	(2,975)	(8,309)	(6,612)	(9,998)	(12,174)
Interest income	39	141	170	715	1,394
Income (loss) before income taxes	41,463	(4,941)	8,785	34,231	16,815
Provision for income taxes	17,166	4,956	4,078	15,261	7,493
Net income (loss)	\$24,297	\$(9,897)	\$4,707	\$18,970	\$9,322
Earnings (loss) per share:					
Basic	\$0.66	\$(0.27)	\$0.13	\$0.53	\$0.27
Diluted	\$0.64	\$(0.27)	\$0.13	\$0.53	\$0.26
Number of shares and share equivalents used to calculate earnings (loss) per share:					
Basic	36,876	36,429	36,011	35,487	35,138
Diluted	37,758	36,429	36,335	35,858	35,771
Balance Sheet Data (at end of period):					
Cash and cash equivalents	\$17,739	\$18,409	\$25,974	\$46,271	\$37,764
Working capital	74,705	50,596	62,238	91,192	79,009
Total assets	410,665	341,116	343,462	401,850	384,680
Long-term liabilities	107,513	76,579	84,847	129,805	140,803
Shareholders' equity	246,743	219,487	226,661	218,514	193,034

Apex Systems Selected Historical Financial Information

The selected historical financial data set forth below is derived in part from and should be read together with Apex System's financial statements, the related notes and "Information about Apex Systems—Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Proxy Statement. The statement of income data for each of the years ended December 29, 2007, December 27, 2008, December 26, 2009, December 25, 2010 and December 31, 2011 and the balance sheet data as of the same dates were derived from Apex System's audited financial statements appearing in the annexes to this Proxy Statement and the books and records of Apex Systems. Historical results are not necessarily indicative of results to be expected for future periods.

	Year Ended				
	(in thousands)				
	December 31, 2011	December 25, 2010	December 26, 2009	December 27, 2008	December 29, 2007
Net sales	\$705,228	\$ 546,996	\$ 383,468	\$ 402,233	\$ 398,481
Cost of sales	511,825	391,589	270,456	273,974	272,691
Gross margin	193,403	155,407	113,012	128,259	125,790
Operating expenses	146,190	127,238	83,780	93,785	102,392

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Income from operations	47,213	28,169	29,232	34,474	23,398
Total other expenses	(3,060)	(2,644)	(1,359)	(3,964)	(2,570)
Net income	\$44,153	\$ 25,525	\$ 27,873	\$ 30,510	\$ 20,828

Balance Sheet Data (at end of period):

Cash	\$7,132	\$ 7,588	\$ 977	\$ 6,020	\$ 73
Working capital	72,907	70,117	52,730	51,444	32,795
Total assets	135,915	124,817	73,343	76,193	72,155
Long-term liabilities	95,623	75,387	39,691	54,315	4,009
Shareholders' equity (deficit)	(13,520)	4,387	16,563	6,176	31,367

Selected Unaudited Pro Forma Condensed Combined Financial Information

The merger will be accounted for by using the acquisition method of accounting in accordance with accounting principles generally accepted in the United States of America, or GAAP. The tangible and identifiable intangible assets and liabilities of Apex Systems will be recorded as of the closing date of the merger, at their respective estimated fair values, and assumed by and added to those of On Assignment. For a detailed description of the purchase accounting method, please see “The Merger—Anticipated Accounting Treatment” beginning on page 28.

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The following selected unaudited pro forma condensed combined balance sheet information as of December 31, 2011 and the selected unaudited pro forma condensed combined statement of income information for the year ended December 31, 2011 are based on the separate historical consolidated financial statements of On Assignment and Apex Systems, and reflect the merger and related events and apply the assumptions and adjustments described in the notes to the unaudited pro forma condensed combined financial statements. The pro forma adjustments are more fully described in the notes to the unaudited pro forma condensed combined financial statements beginning on page 53 of this Proxy Statement. The selected unaudited pro forma condensed combined balance sheet as of December 31, 2011 reflects the merger and related events as if they had been consummated on December 31, 2011. The selected unaudited pro forma condensed combined statement of income for the year ended December 31, 2011 reflects the merger and related events as if they had been consummated on January 1, 2011.

The pro forma adjustments are based upon available information and assumptions that the managements of On Assignment and Apex Systems believe reasonably reflect the merger. The selected unaudited pro forma condensed combined financial statements do not include the effects of the costs associated with any integration activities resulting from the transaction. In addition, the selected unaudited pro forma condensed combined financial statements do not include the realization of any cost savings from operating efficiencies or synergies resulting from the transaction, nor do they include any potential incremental revenues and earnings that may be achieved with the combined capabilities of the companies. The final purchase price allocation, which will be determined subsequent to the closing of the merger, and its effect on results of operations may differ significantly from the pro forma amounts included in the selected unaudited pro forma condensed combined financial statements. The amounts allocated to identifiable intangible assets and goodwill represent the managements' best estimate as of the date of this Proxy Statement. We present the unaudited pro forma condensed combined financial statements for informational purposes only. The selected pro forma condensed combined financial statements are not necessarily indicative of what our financial position or results of operations actually would have been had we completed the merger as of the dates indicated. In addition, the selected unaudited pro forma condensed combined financial statements do not purport to project the future financial position or operating results of On Assignment.

The following selected unaudited pro forma condensed combined financial information (a) has been derived from, and should be read together with, the unaudited pro forma condensed combined financial statements and the accompanying notes included in this Proxy Statement beginning on page 51 and (b) should be read together with the consolidated financial statements of On Assignment and Apex Systems and other information filed by On Assignment with the SEC and incorporated by reference in this Proxy Statement. Please see "Where You Can Find Additional Information" beginning on page 98.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

For the Year Ended December 31, 2011

(in thousands, except share and per share data)

	Pro Forma Combined
Income Statement Data:	
Revenues	\$1,302,509
Cost of services	909,001
Gross profit	393,508
Selling, general and administrative expenses	317,372
Operating income	76,136
Interest income	39
Interest expense	(24,734)
Other expense	(156)
Income before income taxes	51,285
Provision for income taxes	21,095
Net income	\$30,190
Basic earnings per share	\$0.59
Weighted average number of shares outstanding	51,181
Diluted earnings per share	\$0.58
Weighted average number of shares and dilutive shares outstanding	52,063
Balance Sheet Data (at end of period):	
Cash and cash equivalents	\$13,489
Working capital	158,711
Total assets	1,077,609
Long-term liabilities	529,352
Shareholders' equity	454,337

Closing Price of On Assignment Common Stock

The following table includes the closing prices per share of On Assignment common stock as reported on the NASDAQ Global Select Market on:

- March 20, 2012, the last trading day prior to the public announcement of the execution of the Merger Agreement, and
- , 2012, the most recent practicable date prior to the mailing of this Proxy Statement to the On Assignment shareholders.

	On Assignment Common Stock Closing Price Per Share
March 20, 2012	\$ 13.68
, 2012	\$

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this Proxy Statement, and in documents that are incorporated by reference in this Proxy Statement, that are subject to risks and uncertainties. These statements are based on the current beliefs and assumptions of our management. Generally, forward-looking statements include information concerning possible or assumed future actions, events or results of operations of On Assignment or Apex Systems. Forward-looking statements include the information in this Proxy Statement regarding:

- management forecasts;
- regulatory matters;
- financial projections and estimates;
- efficiencies/cost avoidances;
 - cost savings;
 - income and margins;
 - earnings per share;
 - growth;
 - economies of scale;
 - combined operations;
 - the economy;
- future economic performance;
- conditions to, and the timetable for, completing the merger;
- future acquisitions and dispositions;
 - litigation;
- potential and contingent liabilities;
 - management's plans;
 - business portfolios;
 - taxes; and
- merger and integration-related expenses.

These statements may be preceded by, followed by or otherwise include the words “may,” “will,” “should,” “could,” “would,” “potential,” “possible,” “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates,” “hopes” or similar expressions. We seek the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements.

Forward-looking statements are not guarantees of performance. You should understand that the following important factors, in addition to those discussed in “Risk Factors” beginning on page 15 and elsewhere in this Proxy Statement, and in the documents which are incorporated by reference in this Proxy Statement, could affect the future results of On Assignment, and could cause those results or other outcomes to differ materially from those expressed or implied in our forward-looking statements:

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- the ability of On Assignment and Apex Systems to satisfy all conditions precedent to the completion of the merger;
 - the ability of On Assignment and Apex Systems to integrate their operations successfully;
- the timing of the integration of On Assignment and Apex Systems necessary to achieve enhanced earnings or realize cost savings;
 - the retention of existing, and continued attraction of additional customers and employees;
- unexpected costs or unexpected liabilities related to the merger, or the effects of purchase accounting that may be different from our current expectations;
 - the effects of uncertainty surrounding the merger that may cause the business of On Assignment to suffer;
 - other economic, business and competitive factors;
 - the costs and other effects of any legal proceedings;
- the impact on the trading price of On Assignment common stock of resales in the public market of shares of On Assignment common stock received by former Apex Systems shareholders in the merger;
 - changes in accounting policies, practices or their interpretations; and
 - the factors described in On Assignment's reports filed with the SEC.

Because forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Shareholders are cautioned not to place undue reliance on such statements, which speak only as of the date of this Proxy Statement or the date of any document incorporated by reference.

All written and oral forward-looking statements concerning the merger or other matters addressed in this Proxy Statement or incorporated by reference in this Proxy Statement and attributable to On Assignment or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, On Assignment undertakes no obligation to release any revisions or updates to such forward-looking statements to reflect events or circumstances after the date of this Proxy Statement or to reflect the occurrence of unanticipated events.

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RISK FACTORS

On Assignment shareholders should carefully read and consider the following risk factors, as well as the other information contained and referred to in this Proxy Statement, before voting at the Annual Meeting.

Risks Relating to the Merger

If the public markets assign lower values to the Apex Systems business than the values used in negotiating the terms of the merger, the trading price of On Assignment common stock may decline.

The stock of Apex Systems is not publicly traded, so there is no current market-based valuation for Apex Systems' business. In negotiating the merger, we used what we believe to be a reasonable valuation for Apex Systems and considered the advice of our financial advisor in the merger. The public markets may not value the Apex Systems business in the same manner as we have valued it for purposes of negotiating the terms of the merger. If either On Assignment's future financial performance is materially better than projected (and Apex Systems does not also perform materially better), or if Apex Systems' future financial performance is materially lower than projected (and On Assignment's performance is not similarly lower), the market may conclude that the value assigned to Apex Systems in the merger was too high. In any of these events, the trading price of On Assignment common stock may decline.

The merger may not be completed, which could adversely affect On Assignment's business operations and stock price.

To complete the merger, On Assignment shareholders must approve the issuance of shares of On Assignment common stock as contemplated by the Merger Agreement.

In addition, the Merger Agreement contains additional closing conditions, which are described in the section "The Merger Agreement" on page 32, including On Assignment's receipt of debt financing in the amount of \$540 million, which we refer to in this proxy as the "debt financing," from Wells Fargo Bank, National Association, Bank of America, N.A., and Deutsche Bank Trust Company Americas. These conditions may not be satisfied or waived.

If we are unable to complete the merger, On Assignment would be subject to a number of risks, including the following:

- On Assignment would not realize the benefits of the merger; and
- the trading price of On Assignment common stock may decline to the extent that the current market price reflects a market assumption that the merger will be completed.

The occurrence of either of these events individually or in combination could have a material adverse effect on the results of operations, financial position and cash flows of On Assignment or the trading price of our common stock.

The issuance of shares of On Assignment common stock in the merger will substantially reduce the percentage interests of current On Assignment shareholders in the earnings, voting power and market value of On Assignment.

On Assignment will issue between 14,304,548 and 17,485,898 shares of On Assignment common stock in the merger. Upon completion of the merger and the issuance of these shares, based on the amount of shares of On Assignment common stock outstanding as of March 31, 2012 of 37,575,777 shares, On Assignment shareholders prior to the merger will own between 68.2% and 72.4% of On Assignment's outstanding shares of common stock and the former Apex Systems shareholders will own between 27.6% and 31.8% of On Assignment's outstanding shares of common stock. The issuance of shares of On Assignment common stock in the merger will cause a significant

reduction in the relative percentage interests of current On Assignment shareholders in earnings, voting power and market value of On Assignment.

The merger is expected to be accretive to On Assignment shareholders in 2012, and the accretive nature of the transaction is expected to result in increased earnings per share over time. The extent and duration of any accretion will depend on several factors, including the amount of merger-related expenses it incurs that are charged against its earnings, the number of shares which will be issued to the former Apex shareholders under the Merger Agreement and the results of operations of Apex Systems, which will not be known until after the merger is completed. If expenses charged against earnings are higher than the Board expected, the number of shares which will be issued to the former Apex shareholders under the Merger Agreement is greater than expected or Apex Systems does not achieve the revenue and earnings growth projected by the Board, the amount of accretion in 2012 could be less than currently anticipated and the merger may not turn out to be accretive to current On Assignment shareholders (or may be less accretive than currently anticipated). In such event, the trading price of On Assignment common stock may decline.

After reflecting the pro forma adjustments as described in “Unaudited Pro Forma Condensed Combined Financial Statements” beginning on page 51, the pro forma diluted earnings per common share of On Assignment for the year ended December 31, 2011 is \$0.58. These unaudited pro forma condensed combined financial statements apply certain assumptions and adjustments which are based upon available information and assumptions that the managements of On Assignment and Apex Systems believe reasonably reflect the merger.

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On Assignment will incur significant transaction, compliance and other merger-related fees and costs.

On Assignment expects to incur costs associated with combining the operations of its business with those of Apex Systems, as well as transaction fees and other costs related to the merger. The total cost to consummate the transaction is estimated to be approximately \$7.5 million, which does not include the costs to be borne by Apex Systems. The amount of transaction costs expected to be incurred is a preliminary estimate and subject to change. In addition, it is expected that On Assignment's costs related to legal and regulatory compliance may increase substantially, at least in the near term, because Apex Systems has not previously been required to comply with the reporting, internal control, public disclosure and similar legal and regulatory compliance obligations and requirements applicable to publicly traded companies. Although On Assignment expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transaction and merger-related costs over time, this net benefit may not be achieved in the near term or at all.

The public resale by former Apex Systems shareholders of On Assignment common stock received in the merger could have a negative effect on the trading price of On Assignment common stock following completion of the merger.

In the merger, we will issue between 14,304,548 and 17,485,898 shares of On Assignment common stock to the shareholders of Apex Systems. None of these shares will be registered under the Securities Act of 1933, and they will only be able to be resold pursuant to a separate registration statement or an applicable exemption from registration (under both federal and state securities laws). The shares will be subject to contractual restrictions under the terms of the Investor Rights Agreement. The former Apex Systems shareholders have certain rights to require On Assignment to register their shares for public resale under the terms of the Investor Rights Agreement. In addition, if we propose to register any of our shares in a registered public offering, the former Apex Systems shareholders have a right to include their shares in such offering through a valid piggyback registration of shares, subject to the right of the underwriters of an offering to limit the number of shares included in such registration. Please see "The Investor Rights Agreement" beginning on page 40 for a description of the terms of the Investor Rights Agreement.

If all or a substantial portion of these shares of our common stock issued in the merger are resold into the public markets, such transactions may cause a decline in the trading price of our common stock.

On Assignment will record goodwill and identifiable intangible assets that could become impaired and adversely affect its operating results.

Under GAAP, the merger will be accounted for under the acquisition method of accounting as a purchase by On Assignment of Apex Systems. Under the acquisition method of accounting, the total implied purchase price paid by On Assignment in the merger will be allocated to Apex Systems' tangible assets and liabilities and identifiable intangible assets based on their fair values as of the date of completion of the merger. The excess of the purchase price over those fair values will be recorded as goodwill. We expect that the merger will result in the creation of goodwill based upon the application of acquisition accounting. The unaudited pro forma condensed combined financial statements contained in this Proxy Statement beginning on page 51 reflect an estimate of goodwill resulting from the merger amounting to \$243.8 million. As a result of the merger, total pro forma goodwill of \$473.0 million would represent 44% of the total combined pro forma assets of \$1.1 billion. Please see Note 3(c), "Goodwill" of Notes to Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 55 for a discussion of the factors contributing to the estimated amount of goodwill resulting from the merger. To the extent the value of goodwill or identifiable intangible assets become impaired, On Assignment may be required to incur material non-cash charges relating to such impairment. Such a potential impairment charge could have a material and adverse impact on On Assignment's operating results.

On Assignment will have continuing contractual obligations, which will impact its business and corporate governance.

The Merger Agreement includes obligations of On Assignment and the former Apex Systems shareholders, which will continue following completion of the merger. These obligations include indemnification obligations, which may entitle On Assignment to seek recovery from the former Apex Systems shareholders for losses related to representations and pre-merger actions or omissions of Apex Systems. In addition, the Investor Rights Agreement and Non-Compete Agreements include obligations that will be in effect after the completion of the merger, including board matters, registration rights and restrictions on competitive activities by former Apex shareholders.

If Apex Systems is unable to sustain its rate of growth, the growth prospects and future results of On Assignment are likely to be adversely affected.

Over the past eight years, Apex Systems has undergone revenue and earnings growth. This growth has come from Apex Systems' focus on information technology staffing, increased market share with existing clients, addition of new clients, national presence and infrastructure that promotes high operating leverage. There is no assurance that Apex Systems will be able to continue this pace of growth in the future. Such growth also could be negatively affected by many factors, including future technology industry conditions, the effects of integration with the On Assignment business or macroeconomic events. If, following the merger, Apex Systems' growth rate slows, or if it fails to grow at the pace anticipated by On Assignment, the growth prospects and future results of On Assignment are likely to be adversely affected.

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THE MERGER

The Companies

On Assignment, Inc.
OA Acquisition Corp.
26745 Malibu Hills Road
Calabasas, California 91301
(818) 878-7900

On Assignment is a diversified professional staffing firm providing flexible and permanent staffing solutions in specialty skills including Life Sciences, Healthcare, Physician, Information Technology and Engineering. We provide clients in these markets with short-term or long-term assignments of contract professionals, contract-to-permanent placement and direct placement of these professionals. Our business consists of four operating segments: Life Sciences, Healthcare, Physician and Information Technology and Engineering.

Our Life Sciences segment includes our domestic and international life science staffing businesses. We provide locally-based contract life science professionals to clients in the biotechnology, pharmaceutical, food and beverage, medical device, personal care, chemical, automotive, educational and environmental industries. Our contract professionals include chemists, clinical research associates, clinical lab assistants, engineers, biologists, biochemists, microbiologists, molecular biologists, food scientists, regulatory affairs specialists, lab assistants, biostatisticians, drug safety specialists, SAS programmers, medical writers, and other skilled scientific professionals.

Our Healthcare segment includes our Nurse Travel and Allied Healthcare lines of business. We offer our healthcare clients locally-based and traveling contract professionals, from a number of healthcare medical financial and allied occupations. Our contract professionals include nurses, specialty nurses, health information management professionals, dialysis technicians, surgical technicians, imaging technicians, x-ray technicians, medical technologists, medical assistants, pharmacists, pharmacy technicians, respiratory therapists, phlebotomists, coders, billers, claims processors and collections staff, and dental professionals - including dental assistants, hygienists and dentists and rehabilitation therapists.

Our Physician segment consists of VISTA Staffing Solutions, Inc., or VISTA, which we acquired on January 3, 2007. VISTA, based in Salt Lake City, Utah, is a leading provider of physician staffing, known as locum tenens, and permanent physician search services. We provide short and long-term locum tenens services and full-service physician search and consulting services, primarily in the United States, with some locum tenens placements in Australia and New Zealand. We work with physicians in a wide range of specialties, placing them in hospitals, community-based practices and federal, state and local facilities.

Our Information Technology and Engineering segment consists of Oxford Global Resources, Inc., or Oxford, which we acquired on January 31, 2007. Oxford, based in Beverly, Massachusetts, delivers high-end consultants with expertise in specialized information technology, hardware and software engineering and mechanical, electrical, validation and telecommunications engineering fields. We combine international reach with local depth, serving clients through a network of Oxford International recruiting centers in the United States and Europe, and Oxford & Associates branch offices in major metropolitan markets across the United States.

On Assignment was incorporated in 1985. Our principal executive office is located at 26745 Malibu Hills Road, Calabasas, California 91301, and our telephone number is (818) 878-7900. We have approximately 76 branch offices in 24 states within the United States and in six foreign countries.

Shares of On Assignment common stock are traded on the NASDAQ Global Select Market under the symbol “ASGN.”

For additional information about On Assignment and its business, please see “Incorporation by Reference” beginning on page 98 and “Where You Can Find Additional Information” beginning on page 98.

OA Acquisition Corp. is a Virginia corporation and a wholly owned subsidiary of On Assignment. It was formed solely for the purposes of entering into the Merger Agreement with On Assignment and Apex Systems and completing the merger. It has not conducted any business operations other than those contemplated by the Merger Agreement.

Apex Systems, Inc.
4400 Cox Road
Suite 200
Glen Allen, Virginia 23060
(804) 342-9090

Apex Systems is an information technology staffing and services firm specializing in recruiting and placing information technology professionals for contract, contract-to-hire and direct placements. Apex Systems also offers related workforce solutions to their clients. Apex Systems was founded in 1995 and is headquartered in Richmond, Virginia. As of March 31, 2012, Apex Systems has a presence in 49 markets throughout the United States, approximately 1,000 full-time employees and over 950 clients.

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Apex Systems serves Fortune 500, mid-market and emerging companies from a wide variety of industries including financial services, business services, consumer industrials, technology, healthcare, government services, communications and others. Since 2006, it has placed over 55,000 candidates at over 2,100 clients. Apex Systems has a full service of offerings, including staff augmentation, recruitment process outsourcing, sourcing through skill-based recruiting centers and managed solutions.

Apex Systems provides skilled professionals to clients that require technical, network and telecommunications support related to information technology infrastructure, technical project management, business application expertise in a variety of technical areas and other technical expertise.

Apex Systems is a privately held corporation. Its principal shareholders are Brian J. Callaghan, Edwin A. Sheridan, IV and Jeffrey E. Veatch.

For additional information about Apex Systems and its business, please see “Information about Apex Systems” beginning on page 44 and “Where You Can Find Additional Information” beginning on page 98.

The Share Issuance Proposal

At the Annual Meeting, among other matters, the holders of On Assignment common stock will be asked to consider and vote on the following proposal related to the merger:

Proposal 1: A proposal to approve the issuance of up to 17,485,898 shares of On Assignment common stock in the merger contemplated by the Agreement of Merger, dated as of March 20, 2012, by and among On Assignment, OA Acquisition Corp., Apex Systems and Jeffrey E. Veatch, as Shareholder Representative.

THE MERGER WILL NOT BE COMPLETED UNLESS, AMONG OTHER THINGS, THE ON ASSIGNMENT SHAREHOLDERS APPROVE THE SHARE ISSUANCE PROPOSAL. UNDER THE MERGER AGREEMENT, COMPLETION OF THE MERGER IS SUBJECT TO THE SATISFACTION (OR, IF LEGALLY PERMITTED, WAIVER) OF SPECIFIED CLOSING CONDITIONS. APPROVAL BY THE ON ASSIGNMENT SHAREHOLDERS OF THE SHARE ISSUANCE PROPOSAL IS SUCH A CONDITION, WHICH MAY NOT BE WAIVED BY EITHER ON ASSIGNMENT OR APEX SYSTEMS.

The share issuance proposal is intended to satisfy the listing requirements of the NASDAQ Global Select Market.

Background of the Merger

The Board of On Assignment regularly reviews with senior management strategic direction, opportunities available for growth and developments in the staffing industry. These reviews include periodic internal discussions of projected financial performance and potential acquisitions, dispositions and business combinations with third parties that would increase shareholder value and further On Assignment’s strategic objectives, as well as the potential benefits and risks of those potential transactions.

Mr. Dameris, the Chief Executive Officer and President of On Assignment, and Mr. Sheridan, the Co-Chief Executive Officer of Apex Systems, have met from time to time to discuss the industry and their companies. In April 2010, Mr. Dameris contacted Mr. Sheridan regarding a meeting about their companies and a potential transaction in which On Assignment would acquire Apex Systems. On May 14, 2010, Mr. Dameris and Mr. Brill, Senior Vice President of Finance and Chief Financial Officer of On Assignment, met with Mr. Sheridan and Mr. Hanson, Chief Financial Officer of Apex Systems, in Alexandria, Virginia, so they could become familiar with each other and their respective companies.

On May 20, 2010, the Board met in a regularly scheduled meeting and discussed acquisition opportunities. Mr. Dameris and Mr. Brill updated the Board on their communications with and regarding Apex Systems. On May 24, 2010, On Assignment furnished a preliminary and non-binding proposal to Apex Systems that reflected On Assignment's interest in exploring the possibility of the acquisition of all of Apex Systems' outstanding capital stock for a total consideration in the range of \$300 million to \$340 million in the form of cash, equity and an earn-out. Afterwards, Mr. Dameris kept the members of the Board updated on the status and progress of discussions with Apex Systems.

On June 4, 2010, On Assignment entered into a Non-Disclosure Agreement with Apex Systems. On June 8, 2010, Mr. Dameris, Mr. Brill, Mr. McGowan, President of On Assignment's Information Technology and Engineering division, Oxford, Mr. Hanson, Mr. Sheridan and Mr. Veatch, Co-Chief Executive Officer of Apex Systems, met in New York. Representatives from On Assignment and Apex Systems made management presentations about each company.

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On June 11, 2010, Mr. Dameris and Mr. Brill met with Mr. Hanson and Mr. Callaghan, Co-Chief Executive Officer of Apex Systems, at the offices of Apex Systems. On June 17, 2010, management representatives from On Assignment and Apex Systems participated on a conference call together.

On June 29, 2010, Mr. Dameris apprised the Board on the status and progress of discussions with Apex Systems. Mr. Dameris informed the Board regarding the potential terms of the acquisition, the importance of a financing contingency in the merger, and Apex Systems' fit into On Assignment's overall corporate strategy.

During the months of June and July 2010, members of On Assignment's senior management continued to evaluate the potential combination with Apex Systems and discussed with members of Apex Systems senior management the general parameters of a mutually agreeable potential transaction. Mr. Dameris kept the members of the Board updated on the status and progress of discussions with Apex Systems. In mid-July 2010, Mr. Sheridan informed Mr. Dameris that Apex Systems would not participate in further acquisition discussions with On Assignment at that time.

On September 2, 2010, the Board met at a regularly scheduled meeting. During this meeting, the Board reviewed with senior management potential business combinations. Mr. Dameris discussed acquisition activities and philosophies to position the company for growth.

On October 6, 2010, Mr. Hanson visited On Assignment's offices in Calabasas.

During 2011, Mr. Dameris and Mr. Sheridan kept in contact about the status of their businesses. In December 2011, Mr. Dameris spoke with Mr. Sheridan and discussed a potential transaction in which On Assignment would acquire Apex Systems.

On January 15, 2012, at the request of Apex Systems, Wells Fargo Securities, LLC (which we refer to in this Proxy Statement as "Wells Fargo Securities"), financial advisor to Apex Systems, discussed the framework for a potential On Assignment and Apex Systems combination with Mr. Dameris.

On January 25, 2012, in order to engage in further discussions with Apex Systems and to ensure the confidentiality of non-public information regarding the two companies, On Assignment and Apex Systems entered into a Mutual Non-Disclosure Agreement.

On January 27, 2012, the Board met to discuss various acquisition opportunities. During this meeting, the Board reviewed with senior management the potential acquisition of Apex Systems. Following these discussions, the Board authorized management to continue to explore the potential acquisition of Apex Systems.

On February 1, 2012, Mr. Dameris sent to Apex Systems a letter of intent providing for an acquisition of Apex Systems for \$573 million in consideration, consisting of \$370 million in cash and approximately \$203 million in shares of On Assignment common stock. Mr. Dameris also proposed that Apex Systems should be able to appoint two directors to the Board, with additional observation rights. During the first part of February 2012, Mr. Dameris spoke with a representative of Wells Fargo Securities and discussed potential parameters of the acquisition.

On February 3, 2012, Apex Systems entered into a written engagement letter with Wells Fargo Securities to act as its financial advisor in connection with the merger.

Also on February 3, 2012, the Board met and On Assignment's senior management provided updates as to the progress of discussions with Apex Systems regarding the potential business combination. The Board asked questions to representatives of Moelis, financial advisor to On Assignment, regarding the potential financial aspects of a transaction with Apex Systems. Following these discussions, the Board authorized management to continue to

explore the potential acquisition of Apex Systems.

On February 14, 2012, Wells Fargo Securities delivered to On Assignment a draft of Apex Systems' counterproposal providing for \$620 million in consideration, consisting of \$370 million in cash and approximately \$250 million in shares of On Assignment common stock. Representatives of Wells Fargo Securities also provided updated financial information regarding Apex Systems. The counterproposal provided for registration rights for Apex Systems shareholders who would receive shares of On Assignment common stock pursuant to the merger, including demand registration rights immediately after the closing of the merger and an unlimited number of underwritten shelf offerings and piggyback registrations until the Apex Systems shareholders owned less than 5% of the outstanding shares of On Assignment common stock. The counterproposal also provided for no escrow, no survival of Apex Systems' representations and warranties after the closing of the merger, subject to certain exceptions, and the right to appoint three new directors to the Board so long as Apex Systems shareholders own at least 30% of the outstanding shares of On Assignment.

On February 17, 2012, the Board met and senior management provided the Board with, among other things, an update as to the progress of discussions with Apex Systems. The Board asked questions to representatives of Moelis regarding the counterproposal from Apex Systems. The Board authorized the On Assignment senior management to continue to pursue a potential acquisition of Apex Systems.

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During the weeks of February 19, 2012 and February 26, 2012, Mr. Dameris individually updated On Assignment's outside directors to discuss the potential acquisition and a counterproposal to Apex Systems.

On February 20, 2012, Moelis delivered to Wells Fargo Securities an updated summary of terms of the acquisition of Apex Systems by On Assignment that provided for the acquisition of Apex Systems for \$600 million of consideration, consisting of \$368 million in cash and \$232 million in shares of On Assignment common stock. The proposal also provided for Apex Systems to nominate two directors to the Board. On February 22, 2012, a representative from Wells Fargo Securities called Mr. Dameris and informed him that Apex Systems was willing to explore the potential acquisition if a deal could be possible on the proposed financial terms, subject to resolution of corporate governance and employee benefits issues.

On February 23, 2012, Mr. Blazer, Mr. Hanson, Mr. Sheridan, Mr. Veatch and Mr. Callaghan from Apex Systems, as well as representatives from Wells Fargo Securities, met with Mr. Dameris, Mr. Brill and representatives from Moelis at On Assignment's corporate headquarters.

On February 24, 2012, On Assignment and Apex Systems signed an Exclusivity Agreement to facilitate further discussion between the parties on an exclusive basis.

During the week of February 27, 2012, the parties began exchanging due diligence lists and commenced diligence, a process which continued until the signing of the Merger Agreement.

On March 1, 2012, representatives of Moelis delivered to Wells Fargo Securities an updated summary of terms of the acquisition of Apex Systems by On Assignment that provided for the acquisition of Apex Systems for \$600 million of consideration, consisting of \$368 million in cash and \$232 million in shares of On Assignment common stock. The proposal also provided for Apex Systems to nominate two directors to the Board.

On March 5, 2012, the Board met, together with representatives of Moelis, to discuss the potential acquisition. Representatives of Moelis informed the Board of the current terms of the On Assignment proposal and the Apex Systems counter-proposal, as well as a comparison of potential financing structures and terms. The Board authorized the On Assignment senior management to continue to pursue a potential acquisition of Apex Systems.

On March 8, 2012, management of On Assignment and Apex Systems and representatives of Moelis and Wells Fargo Securities met in New York to discuss the status of the transaction and negotiations, as well as the due diligence and reverse due diligence process, potential financing structures and terms and the status of the legal documentation. Representatives of each of Deutsche Bank Trust Company Americas, Wells Fargo Bank, National Association and Bank of America, N.A. joined the meeting to discuss the potential financing structures and terms.

Also on March 8, 2012, Troutman Sanders LLP distributed a proposed draft of the Merger Agreement to On Assignment's outside legal counsel, Latham & Watkins LLP. On March 10, 2012, Latham & Watkins LLP distributed drafts of the Investor Rights Agreement and non-competition agreements to Troutman Sanders LLP.

During the week of March 12, 2012, representatives of each of On Assignment, Moelis, Latham & Watkins LLP, Apex Systems, Wells Fargo Securities and Troutman Sanders LLP continued to negotiate the terms of the Merger Agreement, the Investor Rights Agreement, the non-competition agreements and related agreements, and continued their due diligence.

On March 13, 2011 Latham & Watkins LLP distributed a revised draft of the Merger Agreement, which provided for more fulsome representations and warranties from Apex Systems and related indemnification provisions, among other changes.

Also on March 13, 2012, the Board met and received an update on the discussions with Apex Systems. Representatives of Latham & Watkins LLP advised the Board with respect to the key terms of the agreements. Also at this meeting, representatives of Moelis reviewed with the Board preliminary accretion and dilution analyses in connection with the potential On Assignment common stock to be issued to Apex Systems shareholders as part of the aggregate merger consideration.

Troutman Sanders LLP distributed a revised draft of the Merger Agreement and the Investor Rights Agreement on March 13, 2012. From March 13 to March 20, 2012, representatives of each of On Assignment, Apex Systems and their financial and legal advisors negotiated the final terms of the Merger Agreement, including the working capital amounts, indemnification, reverse break-up fee and corporate governance provisions.

On March 15, 2012, On Assignment entered into a written engagement letter with Moelis to act as its financial advisor in connection with the transaction.

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On March 18, 2012, the Apex Systems board of directors met and reviewed an update on the discussions with On Assignment. Representatives of Troutman Sanders LLP summarized the key terms of the agreements. The Apex Systems board of directors asked questions to Troutman Sanders LLP regarding the agreements, and asked questions to Wells Fargo Securities regarding the financial terms in the proposed transaction.

On March 19, 2012, the Board met and received an update on the discussions with Apex Systems. Representatives of Latham & Watkins LLP summarized the key terms of the agreements and representatives of Moelis rendered an oral opinion, which was confirmed by delivery of a written opinion of Moelis dated March 19, 2012, to the effect that, as of such date, and subject to the assumptions and qualifications set forth in its opinion, the consideration to be paid by On Assignment in the merger was fair from a financial point of view to On Assignment. The Board asked questions of representatives of Moelis and Latham & Watkins LLP and discussed the financial and legal terms of the transaction. Following extensive discussion, the Board unanimously (1) determined that it was advisable to and in the best interests of On Assignment and its shareholders for the Company to execute, deliver and perform its obligations under the proposed Merger Agreement and to consummate the transactions contemplated thereby, including the merger and the issuance of On Assignment shares in connection with the merger, (2) adopted resolutions approving the issuance of the shares in connection with the proposed Merger Agreement and the transactions contemplated thereby and (3) recommended that On Assignment's shareholders vote for the issuance of the shares in connection with the acquisition. The Board authorized the appropriate officers of On Assignment to finalize, execute and deliver the Merger Agreement and related documentation.

On March 20, 2012, the Apex Systems board of directors met and reviewed an update on the status of the key terms discussed by Troutman Sanders LLP at a prior meeting. Troutman Sanders LLP also advised the Apex Systems board of directors regarding its fiduciary duties under Virginia law and the members of the Apex Systems board of directors had an opportunity to ask questions. Wells Fargo Securities provided an update of the financial terms of the proposed transaction. Following discussion, the Apex Systems board of directors unanimously (1) determined that the proposed merger, the Merger Agreement and related plan of merger were advisable, fair to, and in the best interests of Apex Systems and its shareholders, and (2) recommended that the Apex Systems shareholders adopt and approve the proposed merger, Merger Agreement and related plan of merger.

On March 20, 2012, On Assignment executed commitment letters from Wells Fargo Bank, National Association, Bank of America, N.A. and Deutsche Bank Trust Company Americas providing for up to \$540 million in loans to finance the transaction.

On March 20, 2012, Latham & Watkins LLP and Troutman Sanders LLP finalized negotiation of the Merger Agreement, which was signed that day after the close of market trading by authorized officers of On Assignment and Apex Systems.

On Assignment and Apex Systems issued a joint press release announcing the merger and the execution of the agreements on March 20, 2012.

On March 21, 2012, the shareholders of Apex Systems approved the proposed merger, Merger Agreement and related plan of merger by unanimous written consent.

Recommendation of the Board

The Board unanimously determined that the Merger Agreement and the transactions contemplated thereby, including the merger and the issuance of shares of On Assignment common stock in the merger, are advisable, fair to and in the best interests of On Assignment and On Assignment shareholders and approved the Merger Agreement and the transaction contemplated thereby. **THE BOARD RECOMMENDS THAT ON ASSIGNMENT SHAREHOLDERS**

VOTE "FOR" THE SHARE ISSUANCE PROPOSAL.

Reasons for the Merger

The Board, with the advice and assistance of its independent legal and financial advisors, evaluated and negotiated the terms of the merger on behalf of On Assignment, including the terms and conditions of the Merger Agreement and the other related agreements. On March 19, 2012, the Board unanimously determined that the Merger Agreement and the transactions contemplated thereby, including the merger and the issuance of shares of On Assignment common stock in the merger, are advisable, fair to and in the best interests of On Assignment and the On Assignment shareholders, approved the Merger Agreement and the transaction contemplated thereby and recommended that On Assignment shareholders vote "FOR" the share issuance proposal.

In reaching its decision to approve the Merger Agreement and the transactions contemplated thereby and recommend that On Assignment shareholders vote "FOR" the share issuance proposal, the Board consulted with On Assignment management and independent advisors in connection with the merger, including Moelis, On Assignment's financial advisor, and Latham & Watkins LLP, On Assignment's outside legal counsel, considered various material factors described below, and received presentations from Latham & Watkins LLP regarding the Merger Agreement, the Investor Rights Agreement and the related transaction documents and from Moelis regarding its financial analyses. Among the material information and factors considered by the Board were the following:

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- **Strategic Considerations.** The Board considered a number of factors pertaining to the strategic rationale for the merger, including the following:
- **Increased Size and Scale.** On Assignment will have enhanced size and scale, including approximately double the number of revenues and employees. The merger immediately creates one of the largest publicly traded professional staffing companies in the United States with a focus on the information technology sector, which is benefiting from the most favorable secular trends in staffing. The increased scale and scope enhances the cross-selling and marketing opportunities across business segments. The larger size and scale of On Assignment also should result in additional access to customers and markets and opportunities for cost efficiencies.
- **Complementary Areas of Expertise.** The merger will create a company that can offer clients a wide range of information technology professionals from high-end skill sets through Oxford to staffing and support functions through Apex Systems, which is the largest segment of the information technology staffing industry. Currently, there is little to no channel conflict with less than 1% of On Assignment's 2011 revenue derived from overlapping clients.
- **Continuity of Operations.** Apex Systems will maintain its brand and continue to operate substantially as it has in the past. Apex Systems' three co-founders, Jeffrey E. Veatch, Brian J. Callaghan and Edwin A. Sheridan, IV will continue to focus on Apex Systems' strategy as they have done for the last three years and will also have representation on the Board. Apex Systems' executive and senior management will remain in place and continue to oversee the day-to-day operations of the business.
- **Proven Track Record of Integrating Acquired Businesses.** On Assignment has a strong track record of successfully integrating large acquisitions. In 2007, the Company acquired Oxford and VISTA, which effectively doubled the size of On Assignment. These businesses were successfully integrated and are now two of the main divisions within On Assignment. The Board took note of these considerations in evaluating the likelihood that the operations of the two companies could be integrated successfully and efficiently.
- **Increased Shareholder Base and Market Capitalization.** With the acquisition of Apex Systems, On Assignment will have enhanced access to capital markets and institutional investors by increasing scale and volume of shares traded in the capital markets and through a potential increase in market capitalization of On Assignment's common stock.
- **Financial Considerations.** The Board considered the expected financial impact of the merger on On Assignment, including that the merger is expected to be immediately accretive to earnings per share in 2012 and accretive to On Assignment shareholders in 2013 and beyond. The Board also considered that On Assignment will benefit from having the acquisition treated as an asset sale under Section 338(h)(10) of the Internal Revenue Code. The election is expected to result in an estimated \$14 million of annual cash tax savings over the next 15 years. Given the low working capital requirements and the low capital expenditure of Apex Systems, similar to On Assignment, its free cash flow generation is also similar to that of On Assignment. On Assignment expects its increased scale, along with strong revenue and free cash flow generation, to result in the ability to repay debt, creating further equity value for shareholders. The Board also considered the historic financial condition, operating results and businesses of On Assignment and Apex Systems, including information with respect to their respective earnings histories. Please see "Summary—Selected Historical Data" beginning on page 9, "Information about Apex Systems" beginning on page 44 and Annex C to this Proxy Statement.
- **Financial Presentation and Opinion of Moelis.** The Board considered the financial analyses and presentation of Moelis, as presented to the Board on March 19, 2012, and the opinion of Moelis rendered orally to the Board on March 19, 2012, which was subsequently confirmed by delivery of Moelis' written opinion, dated March 19, 2012, to the effect that, as of such date, and based upon and subject to the assumptions and qualifications described in the

opinion, the consideration to be paid by On Assignment in the merger was fair from a financial point of view to On Assignment, as more fully described below under “Opinion of On Assignment’s Financial Advisor” beginning on page 24.

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- **Post-Merger Corporate Governance; Terms of the Investor Rights Agreement.** The Board considered the corporate governance provisions of the Investor Rights Agreement, including that, upon completion of the merger, the Board will continue to be comprised of a majority of independent directors selected by the Nominating and Corporate Governance Committee of the Board (all of whom are current directors of On Assignment). Please see “The Investor Rights Agreement” beginning on page 40 for further information and a detailed discussion of the terms and conditions of the Investor Rights Agreement.
- **Terms of the Merger Agreement.** The Board reviewed and considered the terms of the Merger Agreement and considered that, in its view, the material terms of the Merger Agreement, taken as a whole, were reasonable for an arms’-length acquisition transaction. In particular, the Board considered the representations and warranties made by Apex Systems in the Merger Agreement, the restrictions on the operation of the Apex Systems business from the signing of the Merger Agreement until the closing of the merger and the other covenants of Apex Systems and its shareholders in the Merger Agreement, the conditions to each party’s obligation to complete the merger and the rights of indemnification of each party to the Merger Agreement for losses as a result of breaches of the Merger Agreement. Please see “The Merger Agreement” beginning on page 32 for a detailed discussion of the terms and conditions of the Merger Agreement.
- **Likelihood of Completion of the Merger.** The Board considered the likelihood that the merger will be completed on a timely basis, including the likelihood that the merger will receive all necessary regulatory approvals without unacceptable conditions.
- **Due Diligence.** The Board considered the scope of the due diligence investigation of Apex Systems conducted by members of On Assignment management and On Assignment’s outside advisors and evaluated the results.
- **Impact of the Merger on Customers and Employees.** The Board evaluated the expected impact of the merger on On Assignment’s customers and employees and the benefits that would be derived from the merger by enhancing operations and by providing more opportunities for employees in a larger company.

The Board also considered potential risks associated with the merger, including the following:

- **Apex Systems Business Risks.** The Board considered risks associated with Apex Systems’ business and operations, including the likelihood of winning future significant customers, the fact that Apex Systems has grown significantly over the last eight years, potential exposure to the financial services industry and the fact that Apex Systems’ customers include those in the financial services industry that may have short-lived projects. In particular, the Board considered the rate of projected growth of Apex Systems, as compared to other comparable companies (including On Assignment on a stand-alone basis), and considered the risks that such projected growth would not be achievable and, if not achieved, the adverse effects that could have on the Board expectations for On Assignment’s performance. Please see “Risk Factors” beginning on page 15 for additional information on business risks relating to Apex Systems’ impact on the combined business.
- **No Public Market Value for Apex Systems.** Apex Systems is a privately held corporation and, accordingly, there is no public equity market valuation of Apex Systems. Furthermore, any valuation of Apex Systems is dependent on an estimate of the extent to which Apex Systems will be able to achieve its forecasted operating results, which include growth rates that may or may not be obtained. While the Board recommended that the On Assignment shareholders approve the issuance of shares in connection with the merger, the Board considered these uncertainties and limitations and took into account the possibility that the public markets might reach a different conclusion in assessing the value of Apex Systems or might be uncertain (or skeptical) about any value because of the informational limits and inherent uncertainties in valuing a privately owned business. The Board also considered that the actual operating results of Apex Systems could be significantly different from its expectations, and

accordingly the market price of On Assignment common stock could be volatile as a result of the merger. Please see “Risk Factors—If the public markets assign lower values to the Apex Systems business than the values used in negotiating the terms of the merger, the trading price of On Assignment common stock may decline.” beginning on page 15.

- **Employee Matters.** The Board considered the impact that the merger could have on the ability to attract, retain and motivate key personnel.
- **Diversion of Management.** The Board considered the possible diversion of management’s time and attention from On Assignment’s ongoing business due to the substantial time and effort necessary to complete the merger and plan for and implement the integration of the operations of On Assignment and Apex Systems.

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The Board believed that, overall, the potential benefits of the merger to On Assignment and its shareholders outweighed the risks.

Please see “Reasons for the Merger—Additional Information about Factors Considered by the Board” beginning on page 24 for further information about the considerations of the Board.

THE BOARD RECOMMENDS THAT ON ASSIGNMENT SHAREHOLDERS VOTE “FOR” THE SHARE ISSUANCE PROPOSAL.

Additional Information about Factors Considered by the Board

The foregoing discussion summarizes the material factors considered by the Board in its considerations of the merger, however, it is not intended to be exhaustive. In view of the wide variety of factors considered by the Board in connection with their evaluations of the merger, the Board did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decisions. In considering the factors described above, individual members of the Board may have given different weight to different factors. The Board considered this information as a whole and overall considered the information and factors to be favorable to, and in support of, its determinations and recommendations.

The Board realized that there can be no assurance about future results, including results considered or expected as described in the factors listed above. It should be noted that this explanation of the factors considered by the Board and all other information presented in this are forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading “Note Regarding Forward-Looking Statements” beginning on page 13.

Opinion of On Assignment’s Financial Advisor

At the meeting of the Board on March 19, 2012, Moelis delivered its oral opinion, which was later confirmed in writing, that based upon and subject to the conditions and limitations set forth in its written opinion, as of March 19, 2012, the Consideration (as defined in Moelis’ opinion) to be paid by On Assignment in the Transaction (as defined in Moelis’ opinion) is fair from a financial point of view to On Assignment.

The full text of Moelis’ written opinion dated March 19, 2012, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B to this Proxy Statement and is incorporated herein by reference. Shareholders are urged to read Moelis’ written opinion carefully and in its entirety. The following summary describes the material analyses underlying Moelis’ opinion, but does not purport to be a complete description of the analyses performed by Moelis in connection with its opinion and is qualified in its entirety by the full text of the opinion. Moelis’ opinion is directed to the Board and is limited solely to the fairness of the Consideration to be paid by On Assignment in the Transaction from a financial point of view of On Assignment as of the date of the opinion and does not address On Assignment’s underlying business decision to effect the Transaction or the relative merits of the Transaction as compared to any alternative business strategies or transactions that might be available to On Assignment. Moelis’ opinion does not constitute a recommendation to any shareholder of On Assignment as to how such shareholder should vote with respect to the Transaction or any other matter. Moelis’ opinion was approved by a Moelis fairness opinion committee. In arriving at its opinion, Moelis, among other things: (i) reviewed certain publicly available business and financial information relating to Apex Systems and On Assignment that Moelis deemed relevant; (ii) reviewed certain internal information relating to the business of Apex Systems, including financial forecasts, earnings, cash flow, assets, liabilities and prospects furnished to Moelis by On Assignment and Apex Systems; (iii) reviewed certain internal information relating to the business of On Assignment, including financial forecasts, earnings, cash flow, assets, liabilities and prospects, and an estimate of annual cash tax savings resulting from an election pursuant to Section

338(h)(10) of the Internal Revenue Code in connection with the Transaction, all furnished to Moelis by On Assignment; (iv) conducted discussions with members of senior management and representatives of On Assignment and Apex Systems concerning the matters described in clauses (i)-(iii) of this paragraph, as well as the respective businesses of On Assignment and Apex Systems and prospects before and after giving effect to the Transaction; (v) compared financial data for Apex Systems with publicly available financial and stock market data for On Assignment and certain other companies that Moelis deemed relevant; (vi) compared the proposed financial terms of the Transaction with the financial terms of certain other transactions that Moelis deemed relevant; (vii) considered certain potential pro forma effects of the Transaction; (viii) reviewed a draft of the Merger Agreement dated March 19, 2012 and a draft of the Investor Rights Agreement dated March 19, 2012; (ix) participated in certain discussions and negotiations among representatives of On Assignment and Apex Systems and their financial and legal advisors; and (x) conducted such other financial studies and analyses and took into account such other information as Moelis deemed appropriate.

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In connection with its review, Moelis did not assume any responsibility for independent verification of any of the information supplied to, discussed with, or reviewed by Moelis for the purpose of its opinion and has, with the consent of the Board, relied on such information being complete and accurate in all material respects. In addition, at the direction of the Board, Moelis did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent, derivative, off-balance-sheet, or otherwise) of Apex Systems, nor was Moelis furnished with any such evaluation or appraisal. With respect to the forecasted financial information referred to above, Moelis assumed, at the direction of the Board, that (i) such forecasted financial information was reasonably prepared on a basis reflecting the best currently available estimates and judgments of (x) the management of On Assignment and Apex Systems as to the future performance of Apex Systems and (y) the management of On Assignment as to the future performance of On Assignment and (ii) that On Assignment and Apex Systems will achieve such forecasted financial results at the times and in the amounts forecasted. Moelis did not express any opinion as to any tax or other consequences that might result from the Transaction, nor did the opinion address any legal, tax, regulatory or accounting matters.

Moelis' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Moelis as of, the date of Moelis' opinion. Moelis assumed, with the consent of the Board, that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction would be obtained without the imposition of any delay, limitation, restriction, divestiture or condition that would have an adverse effect on Apex Systems or On Assignment or on the expected benefits of the Transaction.

The following is a summary of the material financial analyses presented by Moelis to the Board at its meeting held on March 19, 2012, in connection with the delivery of its oral opinion at that meeting and its subsequent written opinion, dated March 19, 2012.

Some of the summaries of financial analyses below include information presented in tabular format. In order to fully understand Moelis' analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the analyses. Considering the data described below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Moelis' analyses.

Selected Publicly Traded Companies Analysis

Moelis reviewed selected financial and stock market data of the following six publicly traded companies in the staffing services industry:

- Robert Half International, Inc.
- Manpower Inc. d/b/a ManpowerGroup
 - Kforce Inc.
 - Kelly Services, Inc.
 - CDI Corp.
- Computer Task Group, Incorporated

Moelis reviewed, as of March 16, 2012, among other metrics, the enterprise value as a multiple of 2011 actual and 2012 projected revenue and adjusted EBITDA (defined as earnings before interest, taxes, depreciation and amortization, as further adjusted to add back stock-based compensation and certain non-recurring expenses), price to

2012 projected earnings-per-share multiple, revenue growth, adjusted EBITDA growth, adjusted EBITDA margin and EPS of these companies and compared them to Apex Systems based on the implied Apex Systems enterprise value computed from the aggregate merger consideration and to On Assignment, both against On Assignment management projections and Wall Street research consensus estimates. Financial and operating data for the selected companies were based on publicly available Wall Street research and consensus estimates, public filings with the SEC and other publicly available information. Financial and operating data for Apex Systems were based on management projections provided by On Assignment and Apex Systems. Financial and operating data for On Assignment were based on On Assignment management's projections and Wall Street consensus estimates. This analysis indicated the following implied low, mean, median and high multiples for the selected companies, as compared to corresponding multiples implied for Apex Systems and On Assignment:

Table of ContentsValuation
Statistics

	Implied multiples for selected companies				Implied Multiples for									
	Low	Mean	Median	High	On Assignment (based on On Assignment management projections)	On Assignment (based on Wall Street consensus estimates)	Apex (based on aggregate merger consideration value)							
Enterprise value as a multiple of revenue														
Actual calendar year 2011	0.10	x	0.50	x	0.44	x	1.12	x	1.04	x	1.04	x	0.85	x
Projected calendar year 2012	0.10	x	0.46	x	0.41	x	1.02	x	0.89	x	0.91	x	0.72	x
Enterprise value as a multiple of Adjusted EBITDA														
Actual calendar year 2011	5.6	x	9.1	x	9.4	x	12.3	x	10.2	x	10.2	x	9.2	x
Projected calendar year 2012	4.5	x	7.6	x	7.7	x	10.1	x	8.4	x	9.0	x	7.6	x
Closing stock price as a multiple of EPS														
Projected calendar year 2012	11.5	x	17.4	x	16.9	x	22.7	x	16.4	x	17.6	x		

Operating
Statistics

	Low	Mean	Median	High	On Assignment Management Projections	On Assignment Wall Street Consensus Estimates	On Assignment and Apex Systems Projections for Apex Systems							
Revenue growth														
Actual calendar year 2011 to projected calendar year 2012	(2.1	%)	5.7	%)	7.5	%)	9.5	%)	17.5	%)	14.7	%)	18.0	%)
Adjusted EBITDA growth														
	(6.8	%)	20.1	%)	24.0	%)	34.3	%)	20.7	%)	12.6	%)	20.7	%)

Actual calendar year 2011 to projected calendar year 2012														
Adjusted EBITDA margin														
Actual calendar year 2011	1.7	%	4.9	%	4.5	%	9.3	%	10.3	%	10.3	%	9.3	%
Projected calendar year 2012	2.3	%	5.5	%	5.2	%	10.8	%	10.5	%	10.1	%	9.5	%

Based on the selected publicly traded companies analysis for projected 2012 adjusted EBITDA and the foregoing considerations, Moelis derived an aggregate valuation range for Apex Systems of \$551 million to \$669 million.

Selected Transaction Analysis

On Assignment's financial advisors reviewed transaction values in the following nine selected transactions announced since March 2008 involving companies in the staffing and services industry:

Announcement Date	Target	Acquiror
10/17/11	Staffmark Holdings	Recruit Co.
07/20/11	SFN Group	Randstad
11/02/10	Comforce Corp.	ABRY Partners
07/28/10	Medfinders	AMN Healthcare Services
02/02/10	COMSYS IT Partners	Manpower
10/20/09	MPS Group	Adecco
08/11/09	Spring Group	Adecco
07/22/08	MDA Holdings	Cross Country Healthcare
03/14/08	Corporate Services Group	Impellam Group

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Moelis reviewed, among other things, transaction values in the selected transactions, calculated as the purchase price paid for the target's equity, plus debt at book value, preferred stock at liquidation value and minority interests at book value, less cash, cash equivalents and short-term investments, as multiples of latest 12 months revenue and adjusted EBITDA (as per the above and as further adjusted for announced synergies) as well as adjusted EBITDA margin (as reported excluding synergies and including announced synergies). Multiples derived for the selected transactions were then compared with corresponding multiples implied for Apex Systems based on the implied merger consideration value. Financial data for the selected transactions were based on publicly available information at the time of announcement of the relevant transaction. Projected financial data for Apex Systems were based on internal estimates of On Assignment's and Apex Systems' management. This analysis indicated the following implied high, mean, median and low multiples for the selected transactions, as compared to the corresponding multiples implied for Apex Systems:

	Enterprise Value as a multiple of LTM				LTM Adjusted EBITDA Margin			
	Revenue	Adjusted EBITDA	Adjusted EBITDA, including synergies	Adjusted EBITDA, including synergies	Excluding Synergies	Including Synergies	Excluding Synergies	Including Synergies
High	0.73	x 16.8	x 16.8	x 16.8	8.4	% 9.9	%	%
Mean	0.44	x 10.5	x 9.2	x 9.2	4.2	% 5.1	%	%
Median	0.35	x 9.5	x 7.7	x 7.7	3.9	% 4.1	%	%
Low	0.12	x 5.9	x 5.9	x 5.9	0.9	% 0.9	%	%
On Assignment's acquisition of Apex Systems	0.85	x 9.2	x -	x -	9.3	% -	%	%

Based on the precedent transaction analysis and the foregoing considerations, Moelis derived an aggregate valuation range for Apex Systems of \$587 million to \$685 million.

Apex Systems Discounted Cash Flow Analysis

Moelis performed a discounted cash flow analysis of Apex Systems using financial forecasts and estimates relating to Apex Systems prepared by On Assignment's and Apex Systems' management. Moelis calculated a range of implied present values (as of March 16, 2012), without giving effect to any potential synergies, of the standalone unlevered free cash flows that Apex Systems was forecasted to generate from the fiscal year ended December 31, 2012 until December 31, 2016 and of terminal values for Apex Systems based on Apex System's calendar year 2016 projected adjusted EBITDA. Implied terminal values were derived by applying to Apex System's calendar year 2016 projected adjusted EBITDA a range of next 12 months projected EBITDA terminal value multiples of 7.5x to 9.5x. In performing the illustrative discounted unlevered free cash flow analysis, Moelis applied discount rates ranging from 14.0% to 16.0% to projected unlevered free cash flows of Apex Systems for each of the years ending December 31, 2012, 2013, 2014, 2015 and 2016 and assuming a 40% tax rate for Apex Systems.

Based on the discounted cash flow analysis and the foregoing considerations, Moelis derived an aggregate valuation range for Apex Systems of \$588 million to \$670 million.

Selected Pro Forma Transaction Analyses

Moelis analyzed certain pro forma effects resulting from the Transaction. In conducting its analysis, Moelis relied upon certain assumptions and financial projections provided by the respective managements of On Assignment and Apex Systems. Moelis analyzed the pro forma financial effect of combining On Assignment and Apex Systems. The

analysis showed that the Transaction would result in accretion in pro forma On Assignment standalone fully diluted GAAP earnings per share of 4.2% in the second half of 2012 and 10.4% at fiscal year end 2013, and accretion in pro forma On Assignment standalone fully diluted cash earnings per share (which excludes amortization of acquired intangibles and amortization of deferred financing fees and includes tax benefits from Section 338(h)(10)) of 52.1% in the second half of 2012 and 57.3% at fiscal year end 2013. The results of the pro forma combination analysis are not necessarily indicative of future operating results or financial position.

The preparation of a fairness opinion is a complex analytical process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Moelis' opinion. In arriving at its fairness determination, Moelis considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis. Rather, Moelis made its fairness determination on the basis of its experience and professional judgment after considering the results of all of its analyses.

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No company or transaction used in the analyses described above for purposes of comparison is directly comparable to Apex Systems, On Assignment or the Transaction. In addition, such analyses do not purport to be appraisals, nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by such analyses. Because the analyses described above are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, neither On Assignment, nor Moelis or any other person assumes responsibility if future results are materially different from those forecast.

Other Information

The aggregate merger consideration was determined through arms' length negotiations between Apex Systems and On Assignment and was approved by the Board. Moelis provided advice to On Assignment during these negotiations. Moelis did not, however, recommend any specific exchange ratio or amount of consideration to On Assignment or its board of directors, or that any specific amount or type of consideration constituted the only appropriate consideration for the Transaction.

Moelis' opinion was prepared for the use and benefit of the Board in its evaluation of the Transaction. Moelis was not asked to address, and its opinion does not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of On Assignment. In addition, Moelis' opinion does not express any opinion as to the fairness of the amount or nature of any compensation to be received by any of On Assignment's officers, directors or employees, or any class of such persons, relative to the Consideration. At the direction of the Board, Moelis was not asked to, nor did it, offer any opinion as to the material terms of the Agreement or the Investor Rights Agreement or the form of the Transaction. Moelis did not express any opinion as to what the value of the On Assignment common stock will be when issued pursuant to the Merger Agreement or the prices at which it will trade following announcement or consummation of the Transaction. In rendering its opinion, Moelis assumed, with the consent of the Board, that the final executed form of the Merger Agreement and the Investor Rights Agreement would not differ in any material respect from the drafts that Moelis examined, and that On Assignment and Apex Systems would comply with all the material terms of the Merger Agreement and the Investors' Rights Agreement. Moelis acted as financial advisor to On Assignment in connection with the Transaction and will receive a fee of \$5.7 million for its services, \$4.7 million of which is contingent upon the consummation of the Transaction. Moelis also received a fee of \$1.0 million upon delivery of its opinion. In addition, On Assignment has agreed to indemnify Moelis for certain liabilities arising out of its engagement.

The Board selected Moelis as its financial advisor in connection with the Transaction because Moelis has substantial experience in similar transactions. Moelis is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, strategic transactions, corporate restructurings, and valuations for corporate and other purposes. Moelis' affiliates, employees, officers and partners may at any time own securities of On Assignment, or hold long or short positions in respect of On Assignment's securities. In addition, Moelis may provide investment banking and other financial services to On Assignment and its affiliates in the future and would receive compensation in connection therewith.

Anticipated Accounting Treatment

The merger will be accounted for using the acquisition method of accounting in accordance with ASC 805. On Assignment will be the acquiring entity for financial reporting purposes. Under the acquisition method of accounting, the cost of the transaction will be allocated to the tangible and identifiable intangible assets and liabilities assumed from the acquired entity based on their estimated fair values, with any excess being recognized as goodwill. Under ASC Topic 350, Intangibles - Goodwill and Other, goodwill will not be amortized, but will be subject to an annual

impairment test.

Material United States Federal Income Tax Consequences to Existing On Assignment Shareholders

The existing On Assignment shareholders generally should not be subject to any material United States federal income tax consequences solely as a result of the merger.

Regulatory Approval

Under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, or HSR Act, and the rules and regulations promulgated thereunder, certain transactions, including the merger between On Assignment and Apex Systems, may not be consummated until required information and materials have been furnished to the Department of Justice, or DOJ, and the Federal Trade Commission, or FTC, and certain waiting period requirements have expired or been terminated. On March 29, 2012, each of On Assignment and Apex Systems filed a Pre-merger Notification and Report Form pursuant to the HSR Act with the DOJ and FTC. The statutory waiting period under the HSR Act will expire on April 30, 2012. At any time before the completion of the merger, the DOJ, the FTC or others could take action under the antitrust laws with respect to the merger, including seeking to enjoin the completion of the merger, rescinding the merger or requiring divestiture of certain assets of On Assignment or Apex Systems. There can be no assurance that a challenge to the acquisition on antitrust grounds will not be made or, if such challenge is made, that it would not be successful.

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Federal Securities Law Consequences

In the merger, we will issue between 14,304,548 and 17,485,898 shares of On Assignment common stock to the shareholders of Apex Systems. None of these shares will be registered under the Securities Act of 1933. It is intended that such shares will be issued pursuant to a private placement exemption under Section 4(2) of the Securities Act or other available exemptions, and they will only be able to be resold pursuant to a separate registration statement or an applicable exemption from registration (under both federal and state securities laws). The shares that will be received will be subject to contractual restrictions and the holders will be entitled to registration rights under the terms of the Investor Rights Agreement. These restrictions are described in detail in “The Investor Rights Agreement—Transfer Restrictions” beginning on page 41.

NASDAQ Listing

It is a condition to the merger that the shares of On Assignment common stock to be issued in the merger be approved for listing on the NASDAQ Global Select Market, subject to official notice of issuance. Shares of On Assignment common stock will continue to be traded on the NASDAQ Global Select Market under the symbol “ASGN” immediately following the completion of the merger.

Appraisal Rights

Holders of On Assignment common stock do not have dissenters or appraisal rights under Delaware law in connection with the merger.

Nominees to the Board

The Investor Rights Agreement provides that the Shareholder Representative under the Merger Agreement (which will initially be Jeffrey E. Veatch) has the right to designate up to two nominees for election to the Board, subject to certain conditions and limitations. The Shareholder Representative has designated Brian J. Callaghan and Edwin A. Sheridan, IV as the board designees, and they will be appointed as new members of the Board upon the completion of the merger. In addition, Jeffrey E. Veatch will be the non-executive observer and Randolph C. Blazer and Theodore S. Hanson will be the observers. Please see “The Investor Rights Agreement—Composition of the Board” beginning on page 40 for a detailed summary of the Shareholder Representative’s rights with respect to the composition of the Board. Set forth below are the biographies which include the skills, qualities and experiences of each of the two directors and the non-executive observer to be appointed to the Board upon consummation of the merger.

Name	Age	Principal Occupation
Brian J. Callaghan, Director Appointee	41	Mr. Callaghan co-founded Apex Systems in 1995. Mr. Callaghan served as co-CEO during his time with Apex Systems. His duties at Apex Systems ranged from working directly with customers, leading staff, strategizing and forecasting, and building systems to support growth. Mr. Callaghan was recognized as Ernst & Young’s Entrepreneur of the Year in 2003. Prior to co-founding Apex Systems, Mr. Callaghan began his career as a telecommunications recruiter for a staffing firm based in Reston, Virginia. Mr. Callaghan is a 1993 graduate of Virginia Polytechnic Institute and State University, where he earned a B.S. in Psychology. Mr. Callaghan is also part-owner of the Richmond Flying Squirrels, the Double-A affiliate of the San Francisco Giants. Mr. Callaghan brings eighteen years of staffing experience to the Board and provides extensive knowledge about all aspects of the information technology staffing business and business growth strategies.

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Edwin A. Sheridan, IV, Director Appointee	42	Mr. Sheridan co-founded Apex Systems in 1995. Mr. Sheridan served as co-CEO during his time with Apex Systems. His roles at Apex Systems have included technical recruiter, account manager, and regional operations manager. He also managed the sales and recruiting operations for the company. Mr. Sheridan was recognized as Ernst & Young's Entrepreneur of the Year in 2003. Prior to co-founding Apex Systems, Mr. Sheridan began his career as a telecommunications recruiter for a staffing firm based in Reston, Virginia. Mr. Sheridan is a 1994 graduate of Virginia Polytechnic Institute and State University, where he earned a B.A. in English and Political Science, with a minor in Business Administration. Mr. Sheridan also serves on the boards of several non-profit organizations including the Advisory Board of the Virginia Commonwealth University Massey Cancer Research Center; the Greater Washington Sports Alliance; the Virginia Tech Athletic Fund; and Peace Players International, a community improvement and leadership organization with operations in Northern Ireland, South Africa, Cyprus and the Middle East. Mr. Sheridan brings 18 years of staffing experience to the Board and provides extensive knowledge about all aspects of the information technology staffing business and business growth strategies.
Jeffrey E. Veatch, Non-Executive Observer Appointee	41	Mr. Veatch co-founded Apex Systems in 1995. Mr. Veatch served as co-CEO during his time with Apex Systems. In addition to serving as the executive in charge of national sales for Apex Systems, Mr. Veatch has held account management, branch management, and regional operations management positions. Mr. Veatch also serves as the Executive Sponsor for the American Cancer Society's Relay for Life National Partner team at Apex Systems. Mr. Veatch was recognized as Ernst & Young's Entrepreneur of the Year in 2003. Prior to co-founding Apex Systems, Mr. Veatch began his career as a telecommunications recruiter for a staffing firm based in Reston, Virginia. Mr. Veatch is a 1993 graduate of Virginia Polytechnic Institute and State University, where he earned a B.S. in Finance. Mr. Veatch serves on the Board of Directors for the INOVA Alexandria Hospital Foundation. Mr. Veatch brings 18 years of staffing experience to the Board and provides extensive knowledge about all aspects of the information technology staffing business and business growth strategies.

Additional Interests of Directors, Executive Officers and Certain Beneficial Owners

Apex Systems leases two properties, Cox Road and Sadler Place, located in Glen Allen, Virginia and Apex Systems uses these properties as corporate headquarters. Cox Road and Sadler Place are owned by ASI Partners, LLC and ASI Partners Sadler Place, LLC, respectively. These entities are wholly owned by Jeffrey E. Veatch, Edwin A. Sheridan, IV, Brian J. Callaghan and Theodore S. Hanson. The lease for Cox Place expires in 2015, with the option to renew for an additional term of 60 months. The lease for Sadler Place expires in 2017, with an automatic one-year extension unless either party gives written notice of termination. Rent paid for these properties aggregated approximately \$1.1 million in 2009, \$1.2 million in 2010 and \$1.2 million in 2011.

In connection with the merger, assuming the minimum and maximum number of shares of On Assignment common stock are issued, (i) each of Brian J. Callaghan, Edwin A. Sheridan, IV and Jeffrey E. Veatch will own between 3,797,432 and 4,641,986 shares of On Assignment common stock which represents 7.3% and 8.4%, respectively, of On Assignment common stock, based on the number of issued and outstanding shares of On Assignment common stock as of March 31, 2012, (ii) Theodore S. Hanson will own between 695,225 and 849,844 shares of On Assignment common stock which represents 1.3% and 1.5%, respectively, of On Assignment common stock, based on the number of issued and outstanding shares of On Assignment common stock as of March 31, 2012, and (iii) Randolph C. Blazer will own between 261,901 and 320,148 shares of On Assignment common stock, which represents 0.5% and 0.6%,

respectively, of On Assignment common stock, based on the number of issued and outstanding shares of On Assignment common stock as of March 31, 2012. These calculations are based upon Apex Systems' estimated capitalization immediately prior to the closing of the merger.

As described below, certain directors and executive officers of Apex Systems have interests in the merger and have arrangements that are different from, or in addition to, those of Apex Systems shareholders generally.

RSU Grants

Theodore S. Hanson and Randolph C. Blazer will each receive a grant of 32,895 restricted stock units, which will be granted as "inducement awards" within the meaning of NASDAQ Rule 5635(C)(4). Each restricted stock unit will represent the right to receive one share of On Assignment common stock, subject to vesting and payment conditions set forth in the applicable plan governing such grants. Additionally, these restricted stock units are expected to vest (assuming continued employment through the applicable vesting date) 60% ratably over a number of years (to be determined by On Assignment, Mr. Hanson and Mr. Blazer) and 40% upon achievement of performance conditions (to be established by On Assignment, Mr. Hanson and Mr. Blazer).

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Severance and Change-in-Control Benefits

Apex Systems has entered into an employment agreement with each of its shareholders who are named executive officers. These employment agreements, which were entered into prior to any contemplation of the merger, provide for severance payments to be provided upon various circumstances of termination of employment. In the case of Brian J. Callaghan, Edwin A. Sheridan, IV and Jeffrey E. Veatch, such severance payments are not dependent upon and do not vary based on the occurrence of the merger. In the case of Theodore S. Hanson, such severance payments are not dependent upon and do not vary based on the occurrence of the merger; however, Mr. Hanson's employment agreement provides that upon the occurrence of certain transactions (including the merger), Apex Systems will issue Mr. Hanson 43,263 additional shares of Apex Systems common stock at the time of the merger. In connection with this share issuance, Mr. Hanson also is entitled to receive a tax gross up bonus of approximately \$1,909,109, calculated so that the after-tax amount payable to Mr. Hanson equals the federal and state income taxes that he must pay in connection with such share issuance. In the case of Randolph C. Blazer, if Apex Systems terminates the employment of Mr. Blazer in connection with the merger without cause, Mr. Blazer shall receive severance pay on a monthly basis for the three immediately subsequent months after the effective date of his termination in an amount equal to one-twelfth of his salary in effect as of the date of termination. These severance payments shall be payable monthly in accordance with Apex Systems' current payroll procedures. Mr. Blazer's salary as of May 29, 2012 is expected to be \$650,000.

Other Agreements and Benefits

In connection with the closing of the merger, it is intended that the employment agreements with each of the Apex Systems shareholders who are named executive officers will be terminated. Pursuant to the terms of the Merger Agreement, On Assignment has agreed to negotiate new employment agreements prior to the closing of the merger in good faith with Theodore S. Hanson and Randolph C. Blazer. These new employment agreements have not yet been agreed upon by the parties, but are expected to include terms and conditions consistent with the executives' currently effective employment agreements.

Pursuant to the Investor Rights Agreement, On Assignment will enter into a consulting or other agreement with each non-executive observer, who will initially be Jeffrey E. Veatch, pursuant to which such non-executive observer will receive the same fees and stock awards as the other members of the Board and may attend meetings, executive sessions or meetings of a committee of the Board; provided that such non-executive observer will not be entitled to vote on matters determined by the Board or any committee of the Board.

Golden Parachute Compensation Payable to Apex Systems Executive Officers

The information below is intended to comply with Items 402(t) of Regulation S-K, which requires the disclosure of information about compensation for each "named executive officer" of Apex Systems that is based on or otherwise relates to the merger. As a private company, Apex Systems has not previously determined any "named executive officers" for purposes of securities law requirements; however, Apex Systems has identified each of Brian J. Callaghan, Edwin A. Sheridan, IV, Jeffrey E. Veatch, Theodore S. Hanson and Randolph C. Blazer as the officers who would currently be its "named executive officers" if Apex Systems were a public company. Of these individuals, none of Messrs. Callaghan, Sheridan or Veatch will receive any compensatory payments or benefits that constitute "golden parachute" payments within the meaning of Item 402(t) of Regulation S-K. Furthermore, the named executive officers of On Assignment will not receive any such compensatory payments or benefits in connection with the merger. The following disclosure summarizes the payments and benefits to which Messrs. Hanson and Blazer may become entitled in connection with the merger.

The information included below assumes that the merger occurs on May 29, 2012, in accordance with the terms of the Merger Agreement. Additionally, it assumes that the severance payments pursuant to Mr. Blazer's current employment agreement are triggered due to a termination of his employment by Apex Systems without cause in connection with the merger. These severance amounts are "double trigger" payments because, in addition to the occurrence of the merger, these payments are contingent upon Apex Systems terminating the executive's employment without cause in connection with the merger. In the event of such a termination, Mr. Blazer shall receive the aggregate severance pay set forth below on a monthly basis for the three immediately subsequent months after the effective date of his termination in an amount equal to one-twelfth of his salary in effect as of the date of termination. These severance payments shall be payable monthly in accordance with Apex Systems' current payroll procedures.

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Name(1)	Tax			
	Cash (\$)	Reimbursements (\$)	Other (\$)	Total (\$)
Theodore S. Hanson	\$—	\$ 1,909,109 (2)	\$3,157,945 (3)	\$5,067,054
Randolph C. Blazer	\$162,500 (4)	\$ —	\$569,742 (5)	\$732,242

- (1) This table quantifies the “golden parachute” compensation payable to each named executive officer of Apex Systems, in connection with the merger.
- (2) Represents the approximated assumed value of the tax gross up bonus that would be paid to Mr. Hanson by Apex Systems in connection with the issuance by the Company of 43,263 additional shares of Apex Systems common stock to Mr. Hanson at the time of the merger pursuant to the terms of his employment agreement. This amount is estimated based on an aggregate value of \$2,588,203 for the 43,263 shares of Apex Systems common stock issued to Mr. Hanson, as well as an assumed combined federal and state tax rate of 42.45% for Mr. Hanson. This amount is estimated based on multiple assumptions that may or may not actually occur. As a result, the amount Mr. Hanson may actually receive may materially differ from the approximated amount set forth herein.
- (3) Represents (i) the approximated value of the 43,263 additional shares of Apex Systems common stock that would be received by Mr. Hanson at the time of the merger pursuant to the terms of his employment agreement and (ii) the approximated value of 32,895 restricted stock units covering the same number of shares of On Assignment common stock that On Assignment expects to grant to Mr. Hanson following the completion of the merger. The approximated assumed value of the 43,263 shares of Apex Systems common stock is comprised of \$1,398,861 in cash proceeds and \$1,189,342 in On Assignment common stock proceeds. The approximated value of these On Assignment shares is calculated pursuant to the Merger Agreement based on a \$17.32 share price of On Assignment common stock, which is the average closing market price of On Assignment’s common stock over the first five business days following the public announcement of the Merger Agreement. The approximated value of the On Assignment restricted stock units is also calculated based on a \$17.32 share price of On Assignment common stock. The calculations are based upon Apex Systems’ estimated capitalization immediately prior to the closing of the merger and, with respect to the calculation of the cash consideration to be issued in the connection with the merger, assume \$91.6 million in Apex Systems debt. These amounts are estimated based on multiple assumptions that may or may not actually occur. As a result, the amount or amounts Mr. Hanson may actually receive may materially differ from the approximated aggregate amount set forth herein.
- (4) Represents severance payments to which the executive would be entitled pursuant to the terms of his employment agreement upon termination of his employment by Apex Systems without cause in connection with the merger. In the event of such a termination, Mr. Blazer shall receive severance pay on a monthly basis for the three immediately subsequent months after the effective date of his termination in an amount equal to one-twelfth of his salary in effect as of the date of termination. These severance payments shall be payable monthly in accordance with Apex Systems’ current payroll procedures. This amount is estimated based on Mr. Blazer’s salary as of May 29, 2012, which is expected to be \$650,000. This amount is estimated based on multiple assumptions that represent our current expectations, but which cannot be predicted with certainty at this time and may or may not actually occur. As a result, the amount Mr. Blazer may actually receive may materially differ from the approximated amount set forth herein.
- (5) Represents the approximate value of 32,895 restricted stock units covering the same number of shares of On Assignment common stock that On Assignment expects to grant to Mr. Blazer following the completion of the merger. This approximated value is calculated based on a \$17.32 share price of On Assignment common stock, which is the average closing market price of On Assignment’s common stock over the first five business days following the public announcement of the Merger Agreement. This amount is estimated based on multiple

assumptions may or may not actually occur. As a result, the amount Mr. Blazer may actually receive may materially differ from the approximated amount set forth herein.

The Merger Agreement

The following is a summary of the material terms of the Merger Agreement. This summary does not purport to describe all the terms of the Merger Agreement and is qualified by reference to the complete Merger Agreement, the executed version of which is attached as Annex A to this Proxy Statement, which is incorporated by reference in this Proxy Statement. All shareholders of On Assignment are urged to read the Merger Agreement carefully and in its entirety.

The Merger Agreement is being summarized in this Proxy Statement and has been included as an annex to this Proxy Statement to provide you with information regarding its terms. The Merger Agreement contains representations and warranties that the parties thereto made to each other as of specific dates. The assertions embodied in those representations and warranties were made solely for purposes of the contract and the transactions and agreements contemplated thereby among the respective parties thereto and may be subject to important qualifications and limitations agreed to by On Assignment and Apex Systems in connection with negotiating the terms thereof. Moreover, some of those representations and warranties may not be accurate or complete as of any specified date, may be subject to a contractual standard of materiality different from those generally applicable to shareholders or may have been used for the purpose of allocating risk among the parties to the Merger Agreement rather than establishing matters as facts. On Assignment will provide additional disclosure in its public reports to the extent that it is aware of the existence of any material facts that are required to be disclosed under federal securities laws and that might otherwise contradict the representations and warranties contained in the Merger Agreement and will update such disclosure as required by federal securities laws.

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General

The Merger Agreement provides for the merger of OA Acquisition Corp., a newly formed, wholly owned subsidiary of On Assignment, which is referred to in this Proxy Statement as “Merger Sub,” with and into Apex Systems, with Apex Systems continuing as the surviving entity. As a result of the merger, Apex Systems will become a wholly owned subsidiary of On Assignment.

Closing Matters

Closing. Unless the parties agree otherwise, the closing of the merger will take place on the fifth business day after all closing conditions have been satisfied or waived (other than any condition that by its nature cannot be satisfied until the closing), unless the Merger Agreement has been terminated. Please see “The Merger Agreement—Conditions to the Completion of the Merger” beginning on page 38 for a more complete description of the conditions that must be satisfied or waived prior to the closing of the merger.

Effective Time of the Merger. At the closing of the merger, On Assignment and Apex Systems will file the articles of merger with the State Corporation Commission of the Commonwealth of Virginia in accordance with the relevant provisions of the Virginia Stock Corporation Act and make all other required filings or recordings. The merger will become effective at 5:00 p.m., Richmond, Virginia time on the closing date or at such later time as Apex Systems and we agree and specify in the articles of merger.

The parties are working to complete the merger by the second quarter of 2012. However, because completion of the merger is subject to the receipt of regulatory approvals and the satisfaction or waiver of other conditions, we cannot predict the actual timing of the completion of the merger.

Composition of the Board on the Closing Date. The parties will take all actions reasonably necessary such that as of the closing date the Board composition will be in compliance with the Investor Rights Agreement. Please see “The Investor Rights Agreement—Composition of the Board” beginning on page 40 for additional information on the composition of the Board following the closing of the merger.

Consideration to be Paid Pursuant to the Merger

Under the Merger Agreement, Apex Systems shareholders, other than shareholders who are not “accredited investors,” who will receive only cash, may elect to receive consideration consisting of shares of On Assignment common stock, or a combination of cash and shares of On Assignment common stock in exchange for their shares of Apex Systems common stock, subject to certain proration features. The maximum number of shares of On Assignment common stock to be issued in connection with the merger will not exceed 17,485,898 shares and the maximum cash that will be paid is \$383 million. The maximum cash amount is subject to adjustment in certain circumstances, based upon Apex Systems’ net working capital, cash, debt and expenses as of closing. The target working capital amount is based on 13% of the net sales of Apex Systems for the 12 months ended prior to closing. In our discussion, we refer to the number of shares of On Assignment common stock to be received for each share of Apex Systems common stock as the “stock merger consideration,” the amount of cash to be received for each share of Apex Systems common stock as the “cash merger consideration” and the stock merger consideration together with the cash merger consideration as the “consideration.”

Covenants

On Assignment and Apex Systems have each undertaken certain covenants in the Merger Agreement concerning the conduct of their respective businesses between the date the Merger Agreement was signed and the completion of the

merger or the termination of the Merger Agreement. The following summarizes the more significant of these covenants:

Board's Covenant to Recommend. The Board has recommended that On Assignment shareholders approve the share issuance proposal.

The Board agreed in the Merger Agreement that it may not withdraw or modify its recommendation to its shareholders and that it will use its reasonable best efforts to solicit and obtain shareholder approval, provided that the Board may disclose information to On Assignment shareholders pursuant to fiduciary duties and applicable law after consulting with On Assignment's outside counsel. Unless the Merger Agreement is terminated prior to the shareholder meeting, On Assignment is required to call, give notice of, convene and hold a shareholder meeting and permit its shareholders to vote on the share issuance proposal (Proposal 1).

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Restrictions on the Parties' Businesses Prior to the Closing. In general, until either the completion of the merger or the termination of the Merger Agreement, Apex Systems is required to carry on its businesses in all material respects in the ordinary course and to use commercially reasonable efforts to preserve its business operations, organizations and goodwill substantially intact and maintain its existing relations with customers, suppliers, employees and other material business associates. Each of On Assignment and Apex Systems has also agreed that (except as contemplated or permitted by the Merger Agreement), without the prior written consent of the other party, it will not:

- amend its certificate of incorporation or bylaws or other comparable organizational documents;
- declare, set aside or pay any dividend or make any distribution (whether payable in cash, stock or property) or payment in respect of its equity interests, except for certain cash distributions;
 - split, subdivide, recapitalize, combine or reclassify its equity interests; or
 - agree to take any of the foregoing actions.

In addition, Apex Systems has also agreed that (except as contemplated by the Merger Agreement), without the prior written consent of On Assignment, it will not:

- issue, deliver or sell any equity interests;
- enter into, amend or modify in any material respect, or terminate prior to the scheduled termination date set forth therein, material contracts, or otherwise waive, release, assign, cancel or compromise any material debt, claim, benefit, obligation or right, or bill and collect accounts receivable other than consistent with past practice;
- make any capital expenditure or enter into any commitment in excess of \$100,000 for any single expenditure or series of related expenditures;
 - change its authorized or issued equity interests;
 - modify or amend any right of any holder of outstanding equity interests;
- hire or terminate any employee, consultant or director (except for the hiring of non-executive employees with aggregate annual compensation below \$150,000 hired in the ordinary course of business);
- increase or establish, or commit to increase or establish, any form of compensation or benefits payable by Apex Systems, including without limitation, pursuant to any employee benefit plan (except as required by law);
- adopt, enter into, establish, amend, modify or terminate any employee benefit plan (except as required by law), increase the benefits provided under such employee benefit plan, or accelerate the vesting or payment of any compensation or benefits under any employee benefit plan;
- grant any equity or equity-linked awards or any other cash bonus, incentive, performance or other incentive compensation plan;
- enter into, modify or terminate any employment, termination, labor or collective bargaining agreement, make any commitment or incur any liability to any employee or labor organizations or effect any reduction in labor force, lay-off, early retirement program, severance program or other program or effort concerning the termination of employees;

- incur, redeem or assume any long-term or short-term indebtedness for borrowed money, enter into any hedging or off balance sheet financing arrangements, or become liable or responsible for the obligations of any other person;
- make any loan, advance or capital contribution to, or investment in, any other person;

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- subject to any lien any properties or assets, except for certain permitted liens and liens that will be released at or prior to the closing of the merger;
 - acquire any material properties or assets;
- sell, assign, license, transfer, convey, lease or otherwise dispose of any properties or assets (except for the purpose of disposing obsolete or worthless assets or in connection with the merger);
- abandon, fail to maintain or allow to expire (other than at the natural expiration of its term), or sell or exclusively license to any person, any material intellectual property;
- adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization (other than the merger);
- change any of the accounting methods materially affecting its assets, liabilities or business, except for such changes required by GAAP, as concurred by its independent public accountants;
- enter into any agreement or arrangement that materially limits or restricts Apex Systems or, upon completion of the merger, On Assignment or our subsidiaries from engaging or competing in any line of business or in any location;
- cancel or terminate any material insurance policy naming Apex Systems as a beneficiary or a loss payee without prior notice to On Assignment;
 - materially modify standard warranty terms for services and products;
- commence any legal proceeding or compromise, settle, pay or discharge any legal proceeding or dispute, except settlements that involve solely cash settlement payments paid out of cash on hand, provide for the full and unconditional release of Apex Systems from any and all liability in respect of the matters underlying such settlement, and do not include an admission of guilt on the part of Apex Systems or impose any restrictions on the future conduct of Apex Systems;
- make, change or rescind any material tax election, file any amended material tax return, enter into any closing agreement or settle any tax audit or proceeding, surrender any right to claim a refund for a material amount of taxes, consent to any extension or waiver of the limitation period applicable to any tax claim or assessment, or settle or compromise any tax liability if such action would have the effect of increasing the tax liability or adversely affecting the tax position of On Assignment in a post-closing taxable period; or
 - enter into any agreement, contract, commitment or arrangement to do any of the foregoing actions.

In addition, On Assignment has also agreed that (except as contemplated by the Merger Agreement), without the prior written consent of Apex Systems, it will not:

- issue, deliver, sell, pledge or otherwise encumber or subject to any lien, except liens permitted pursuant to the Merger Agreement, any equity interests, other than pursuant to the On Assignment 2010 Incentive Award Plan;
 - merge or consolidate with any person, other than the transactions contemplated by the Merger Agreement;
- take any action that would cause a breach of the representations and warranties regarding the debt financing; or

- enter into any agreement, contract, commitment or arrangement to do any of the foregoing actions.

These restrictions are subject to certain qualifications set forth in the Merger Agreement.

Commercially Reasonable Efforts to Complete the Merger. Each of the parties agreed to cooperate with each other and to use its commercially reasonable efforts to take or cause to be taken all appropriate actions and do or cause to be done all things necessary, proper or advisable under the Merger Agreement and applicable laws to complete the merger and the other transactions contemplated by the Merger Agreement, including using commercially reasonable efforts to satisfy conditions, obtaining all necessary regulatory approvals (including the expiration or termination of the waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976), and to use commercially reasonable efforts to obtain all necessary consents under contracts or permits in connection with the merger.

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Other Covenants. The Merger Agreement contains certain other covenants, including covenants relating to On Assignment's receipt of debt financing in the amount of \$540 million from Wells Fargo Bank, National Association, Bank of America, N.A., and Deutsche Bank Trust Company Americas, public announcements, access to information, cooperation on tax matters, exclusivity, confidentiality, maintaining Apex Systems employee benefit plans, director and officer indemnification insurance and negotiation of senior executive employment agreements.

Listing of On Assignment Common Stock

We have agreed to use our reasonable best efforts to cause the shares of On Assignment common stock to be issued in connection with the merger to be approved for listing on the NASDAQ Global Select Market, subject to official notice of issuance. Approval for listing on the NASDAQ Global Select Market of the shares of On Assignment common stock issuable to Apex Systems shareholders pursuant to the merger, subject only to official notice of issuance, is a condition to the obligations of On Assignment and Apex Systems to complete the merger.

Representations and Warranties

The Merger Agreement contains representations and warranties made by each of On Assignment, Merger Sub and Apex Systems to the other parties thereto as of specified dates.

The representations and warranties of On Assignment, Merger Sub and Apex Systems relate to:

- corporate existence, qualification to conduct business and corporate standing and power;
- subsidiaries;
- corporate authority to enter into, and carry out the obligations under, the Merger Agreement and the enforceability of the Merger Agreement;
- absence of a breach of the certificate of incorporation and bylaws (or their equivalents), applicable law or material agreements as a result of the merger;
- required approvals and consents as a result of the merger;
- capital structure;
- financial statements and, in the case of On Assignment, filings with the SEC and disclosure controls and procedures;
- absence of undisclosed liabilities;
- absence of certain changes or events;
- legal proceedings;
- material contracts;
- tax matters;
- employee benefit plans;

- compliance with laws and permits;
- the existence of certain unsuitable payments;
- information provided for inclusion in this Proxy Statement;
- required shareholder votes and, in the case of Apex Systems, appraisal rights;
- in the case of Apex Systems, real and personal property;
- in the case of Apex Systems, intellectual property;
- in the case of Apex Systems, insurance;

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- in the case of Apex Systems, environmental matters;
- in the case of Apex Systems, labor and employee matters;
- in the case of Apex Systems, related party transactions;
- in the case of Apex Systems, bank accounts and safe deposit boxes;
- in the case of Apex Systems, payment of fees to finders or brokers in connection with the Merger Agreement;
 - in the case of On Assignment, the delivery of an executed financing commitment letter;
 - in the case of On Assignment, the opinion of Moelis;
- in the case of On Assignment, shares of On Assignment common stock issuable as part of the merger; and
 - in the case of On Assignment, the formation and activities of Merger Sub.

Several of the representations and warranties in the Merger Agreement are subject to important qualifications and limitations agreed to by On Assignment and Apex Systems in connection with negotiating the terms thereof, including in certain cases the qualification that only items that would result in a “material adverse effect” would be deemed to make the representation and warranty untrue or other similar qualifications.

As used in the Merger Agreement, the term “material adverse effect” means, when used with respect to any party, any change, effect, event or occurrence or state of facts that either, individually or in the aggregate:

- is or would reasonably be expected to be materially adverse to the financial condition, business, properties, assets, liabilities or results of operations of such party, taken as a whole in the case of On Assignment and Merger Sub, excluding any change, effect, event or occurrence resulting from:
- general changes in economic, financial or capital market, regulatory or political conditions that do not have a disproportionate adverse effect on such party;
- changes in conditions generally applicable to the industries in which such party operates that do not have a disproportionate adverse effect on such party, relative to other participants in such industries;
- any natural disaster, act of terrorism, sabotage, military action or war (whether or not declared) or any other social or political disruption, in each case including any escalation or worsening thereof, that does not have a disproportionate adverse effect on such party;
 - changes in the law or accounting regulations or principles or interpretations thereof; or
- any failure, in and of itself, by such party to meet any internal or published projections, forecasts or revenue or earnings predictions; or
 - prevents the consummation by such party of the merger.

Indemnification

The Merger Agreement provides that following completion of the merger On Assignment, on the one hand, and the former Apex Systems shareholders (severally and not jointly), on the other hand, will indemnify each other against losses, fines, costs and expenses incurred as a result of breaches of representations and warranties and violations of covenants contained in the Merger Agreement, subject to exceptions, or as a result of certain pre-closing taxes of Apex Systems.

The respective indemnification obligations of each party are subject to customary limitations. No claim may be made as a result of a breach of the representations and warranties unless aggregate losses as a result of breach of the representations and warranties is at least \$3 million (and recovery may only be received for losses in excess of that amount), subject to certain exceptions. In addition, no party may recover in excess of \$25 million for losses as a result of most breaches of the representations and warranties. In addition, no party may recover for losses as a result of a breach of the representations and warranties after the end of the survival period for the applicable representation and warranty. Most of the representations and warranties contained in or made pursuant to the Merger Agreement will survive the closing of the merger for a 15-month period. Many of these limitations are subject to additional exceptions.

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The right to indemnification is the sole and exclusive remedy of the parties to the Merger Agreement in connection with losses arising out of matters set forth in the Merger Agreement, other than in the case of fraud, intentional misrepresentation or willful or criminal misconduct or the right to seek injunctive or equitable relief.

Conditions to the Completion of the Merger

The parties' respective obligations to complete the merger are subject to the satisfaction or, to the extent legally permissible, the waiver of the following conditions in the Merger Agreement by us and Apex Systems at or prior to the closing:

- the receipt of the approval of the Merger Agreement by Apex Systems shareholders by delivery of the written consent of Apex Systems shareholders (which was delivered in connection with the execution and delivery of the Merger Agreement), and the receipt of the approval by On Assignment shareholders of the share issuance proposal;
- the expiration or termination of the waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (which condition we expect to be satisfied on April 30, 2012);
- the absence of any law, judgment, injunction, decree or other order by a governmental entity that prohibits or enjoins the consummation of the transactions contemplated by the Merger Agreement; and
- the receipt of the approval for listing by the NASDAQ Global Select Market of On Assignment common stock to be issued pursuant to the merger, subject to the official notice of issuance of the stock.

In addition, individually, the parties' respective obligations to effect the merger are subject to the satisfaction or, to the extent legally permissible, the waiver of the following additional conditions at or prior to the closing:

- the representations and warranties of the other party being true and correct as of the date of the Merger Agreement and as of the closing date of the merger unless such failures to be true and correct (without giving effect to any materiality or material adverse effect qualifications or exceptions) in respect of those representations and warranties would not, individually or in the aggregate, result in a material adverse effect on the other party (subject to certain limitations or exceptions);
- the other party having performed and complied in all material respects with all covenants required to be performed and complied with by it under the Merger Agreement;
 - the absence of a material adverse effect on the other party since December 31, 2011; and
- the receipt by each party of a certificate from an executive officer of the other party with respect to the satisfaction of certain of the closing conditions.

In addition, Apex Systems' obligations to effect the merger are subject to the satisfaction or, to the extent legally permissible, the waiver of the following additional conditions:

- the receipt of payment by On Assignment of the merger consideration; and
- On Assignment having made grants of restricted stock units to certain employees of Apex Systems, subject to the recipient of the restricted stock unit grants having executed and delivered to On Assignment a Non-Compete Agreement.

Furthermore, On Assignment's obligations to effect the merger are subject to the satisfaction or, to the extent legally permissible, the waiver of the following additional conditions:

- the funding of debt financing in an aggregate principal amount of \$540 million by Wells Fargo Bank, National Association, Bank of America, N.A. and Deutsche Bank Trust Company Americas;
 - the receipt by Apex Systems of certain required consents in connection with the transaction;
- the receipt by On Assignment of payoff letters evidencing that certain indebtedness of Apex Systems has been or will be repaid in full and that certain liens on Apex Systems and its assets have been or will be released and discharged as of the closing of the merger; and
 - all loans payable to Apex Systems from officers and directors of Apex Systems having been repaid in full.

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Termination of the Merger Agreement

Right to Terminate. The Merger Agreement may be terminated at any time prior to the completion of the merger in any of the following ways:

- by mutual written consent of On Assignment and Apex Systems;
- by either us or Apex Systems:
- if the merger has not been completed by July 18, 2012 (or such other date to which On Assignment and Apex Systems may agree upon in writing because one or more of the closing conditions has not been satisfied); provided, that a party may not terminate the Merger Agreement pursuant to this provision if such party's willful breach of any of its obligations under the Merger Agreement caused, or resulted in, the failure of the closing to occur on or before July 18, 2012;
- if a court of competent jurisdiction has entered into a judgment, injunction, decree or other order that has become final and non-appealable and has the effect of permanently preventing the consummation of the merger; provided, that a party may not terminate the Merger Agreement pursuant to this provision if such party has not used commercially reasonable efforts to prevent the entry of and to procure the removal, reversal, dissolution, setting aside or invalidation of such judgment, injunctions, decree or order;
- if any closing condition of the terminating party's obligation to consummate the merger becomes incapable of satisfaction; provided that the right to terminate the Merger Agreement under this provision will not be available to either party if such party's willful breach of any of its obligations under the Merger Agreement caused the condition to become incapable of satisfaction; or
 - by On Assignment:
 - if there has been (i) a non-curable breach of any representation, warranty, covenant or agreement of Apex Systems in the Merger Agreement that makes the satisfaction of certain closing conditions in the Merger Agreement impossible or (ii) an uncured breach (30 days after written notice thereof) of any representation, warranty, covenant or other agreement made by Apex Systems, and the breach or failure to perform would result in the applicable closing condition to the merger not being satisfied; provided that On Assignment will not have the right to terminate the Merger Agreement under this provision if On Assignment is in material breach of any of its representations, warranties, covenants or agreements contained in the Merger Agreement; or
 - Apex Systems:
 - if there has been (i) a non-curable breach of any representation, warranty, covenant or agreement of On Assignment or Merger Sub in the Merger Agreement that makes the satisfaction of certain closing conditions in the Merger Agreement impossible or (ii) an uncured breach (30 days after written notice thereof) of any representation, warranty, covenant or other agreement made by On Assignment or Merger Sub in the Merger Agreement, and the breach or failure to perform would result in the applicable closing condition to the merger not being satisfied; provided that Apex Systems will not have the right to terminate the Merger Agreement pursuant to this provision if it is then in material breach of any of its representations, warranties, covenants or agreements contained in the Merger Agreement.

Termination Fees/Reimbursement of Expenses. On Assignment will be required to pay a termination fee of \$21 million to Apex Systems in any of the situations below arising from the failure of On Assignment to secure the debt

financing:

- if Apex Systems or On Assignment terminates the Merger Agreement because the closing of the merger does not occur on or before July 18, 2012 (or such other date to which On Assignment and Apex Systems agree upon in writing) because one or more conditions to the obligations of Apex Systems or On Assignment to consummate the closing have not been satisfied; provided that the terminating party's willful breach of any of its obligations under the Merger Agreement has not caused or resulted in the failure of the closing to occur on or before July 18, 2012 (or such other dated to which On Assignment and Apex Systems agree upon in writing);
- if Apex Systems terminates the Merger Agreement because there has been (i) a non-curable breach of any representation, warranty, covenant or agreement of On Assignment or Merger Sub in the Merger Agreement that makes the satisfaction of certain closing conditions in the Merger Agreement impossible or (ii) an uncured breach (30 days after written notice thereof) of any representation, warranty, covenant or other agreement made by On Assignment or Merger Sub in the Merger Agreement, and such breach or failure to perform would result in the failure of certain conditions to Apex Systems' obligation to consummate the closing to be satisfied; provided that Apex Systems is not in material breach of its representations, warranties, covenants or other agreements contained in the Merger Agreement; or

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- if On Assignment terminates the Merger Agreement because conditions to On Assignment's obligation to consummate the merger are incapable of satisfaction; and

(i) all other conditions to On Assignment's obligations to consummate the closing (other than receipt of the debt financing) have been or are capable of being satisfied prior to July 18, 2012 and (ii) Apex Systems has confirmed in writing that if the debt financing were funded and all the conditions of Apex Systems' obligation to consummate the closing were satisfied, it will take actions that are within its control to cause the closing to occur.

The termination fee must be paid within five business days of termination of the Merger Agreement as described above. If On Assignment fails to pay to Apex Systems the termination fee when due, then On Assignment must reimburse Apex Systems for all costs and expenses incurred by Apex Systems (including reasonable fees and expenses of counsel) in connection with the collection of the termination fee.

The Shareholder Representative

The Apex Systems shareholders have appointed Jeffrey E. Veatch as the Shareholder Representative to serve as their true and lawful agent and attorney-in-fact. In such capacity, the Shareholder Representative may take any action on behalf of the shareholders of Apex Systems, and may bind them under the Merger Agreement and any other related agreement.

Amendments and Waivers

Amendments and Waivers. The Merger Agreement may be amended prior to the closing by On Assignment and Apex Systems. Any amendment after the closing requires approval by On Assignment and the Shareholder Representative. An amendment to the Merger Agreement must be in writing signed by the required parties. All waivers must be in writing and signed by the party against whom the waiver is to be effective. On Assignment does not have any current intention to waive any condition to the merger and cannot predict the circumstances under which it would do so. On Assignment would re-solicit the votes of its shareholders if it decided to waive a material condition to the merger.

Governing Law. The Merger Agreement is governed by the laws of the Commonwealth of Virginia, other than with respect to certain remedies provisions and actions related thereto that are governed by the laws of the State of New York.

The Investor Rights Agreement

At the closing, we will enter into the Investor Rights Agreement with certain Apex Systems shareholders listed on the signature pages thereto, who will become shareholders of On Assignment upon completion of the merger, and Jeffrey E. Veatch, in his capacity as the Shareholder Representative under the Merger Agreement.

Composition of the Board

The Investor Rights Agreement will provide that the Shareholder Representative will have the right to designate two nominees for election to the Board for so long as Brian J. Callaghan, Edwin A. Sheridan, IV and Jeffrey E. Veatch (whom we refer to in this proxy as the "Founders") own in the aggregate at least 17% of the outstanding shares of On Assignment common stock and one nominee if the Founders own in the aggregate less than 17% but more than 10% of the outstanding shares of On Assignment common stock; provided that if the former Apex Systems shareholders collectively sell more than 5,000,000 shares of On Assignment common stock pursuant to the initial registration described below, then the 17% referred to in this paragraph will be reduced to a percentage equal to the percentage of

the outstanding shares of On Assignment common stock held in the aggregate by the Founders upon the closing of the sale of shares of On Assignment common stock pursuant to the initial registration minus 0.5%. The remaining members of the Board will be nominated by the Nominating and Corporate Governance Committee of the Board. At each meeting of On Assignment shareholders following the completion of the merger at which directors of On Assignment are to be elected, On Assignment will agree to nominate for election to the Board and recommend that the shareholders elect to the board each of the Shareholder Representative's designees, subject to certain limitations to comply with law or if a nominee is deemed to be unfit to serve as a director of a publicly traded company or otherwise does not meet applicable eligibility criteria in a material respect.

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Based on the amount of shares of On Assignment common stock outstanding as of March 31, 2012 of 37,575,777, immediately following the closing of the merger, the former Apex Systems shareholders are expected to own between 27.6% and 31.8% of the outstanding shares of On Assignment common stock, and the Founders are expected to own between 22.0% and 25.3% of the outstanding shares of On Assignment common stock. This calculation is based on Apex Systems' estimated capitalization immediately prior to the closing of the merger. Pursuant to the Investor Rights Agreement, the Board at the effective time of the merger would be comprised of two designees of the Shareholder Representative and five other directors currently serving on the Board (which are expected to be all of On Assignment's existing directors). The Shareholder Representative will be entitled to have one of his designees, who will initially be Theodore S. Hanson, serve on the On Assignment Stock Option Committee, which determines grants to non-executive officers of On Assignment.

Registration Rights

Pursuant to the Investor Rights Agreement, the Apex Systems shareholders who will become On Assignment shareholders pursuant to the merger will have certain registration rights with respect to the shares of On Assignment common stock acquired pursuant to the merger.

Initial Registration. Subject to certain exceptions, within 45 days of the closing of the merger, On Assignment will use its reasonable best efforts to effect, as soon as reasonably possible, the registration under the Securities Act of the shares of On Assignment common stock issued to the Apex Systems shareholders in connection with the merger. On Assignment will be responsible for paying the expenses of any such registration.

Demand Registration. Following the six-month anniversary of the closing or withdrawal of the initial registration, any of the Founders may require On Assignment to register shares of On Assignment common stock issued to the Apex Systems shareholders in connection with the merger for resale under the Securities Act in an underwritten offering. The Founders may exercise this demand registration right on up to three occasions. These demand registration rights will be subject to customary conditions and limitations. On Assignment will be responsible for paying the expenses of any such registration.

Piggyback Registration. If we propose to register any securities under the Securities Act, each Apex Systems shareholder who will become an On Assignment shareholder pursuant to the merger must receive notice of the registration and may include its shares of On Assignment common stock in the registration. These "piggyback registration" rights will be subject to customary conditions and limitations, including the right of the underwriters of an offering to limit the number of shares included in such registration and On Assignment's right not to effect a requested registration. On Assignment will be responsible for paying the expenses of any such registration.

Transfer Restrictions

Restrictions on the Founders of Apex Systems. From the date of the closing of the merger to the third anniversary of the closing, the Founders may not transfer their shares of On Assignment common stock without the written consent of On Assignment; provided that if the Founders are in breach of their Non-Competition Agreement during such period, then the end of such period will be extended to the third anniversary of the last such breach.

So long as a Founder has not breached his Non-Competition Agreement, the Founder may transfer (a) shares of On Assignment common stock in a registration effected in accordance with the Investor Rights Agreement, (b) shares of On Assignment common stock to certain permitted transferees, provided that certain conditions are satisfied, or (c) up to \$7.0 million of shares of On Assignment common stock per year pursuant to a Rule 10b5-1 plan to be established by such Founder.

Restrictions on Senior Executive Holders of Apex Systems. Without On Assignment's prior written consent, Randolph C. Blazer and Theodore S. Hanson (whom we refer to in this Proxy Statement as "Senior Executive Holders") shall not be permitted to Transfer any shares of On Assignment common stock during the period commencing on the closing of the merger and ending on the third anniversary of the closing. In the event that a Senior Executive Holder's employment with On Assignment or our subsidiaries terminates for any reason at any time during the three-year period, then the end of such period will be extended to the date that is the third anniversary of the date of the termination. Also, if a Senior Executive Holder is in breach of his Non-Competition Agreement at any time during the three-year period, then the end of such period will be extended to the date that is the third anniversary of the last breach.

So long as a Senior Executive Holder has not breached his Non-Competition Agreement,

- pursuant to the initial registration effected in accordance with the Investor Rights Agreement, a Senior Executive Founder may transfer up to a number of shares of On Assignment common stock equal to 30% of the shares of common stock issued to such Senior Executive Holder pursuant to the Merger Agreement;
- after the closing or withdrawal of the initial registration effected in accordance with the Investor Rights Agreement, a Senior Executive Holder may transfer up to a number of shares of common stock issued to the Senior Executive Holder pursuant to the Merger Agreement equal to (A) one-third of such shares after the first anniversary of the closing of the merger, (B) two-thirds of such shares after the second anniversary of the closing of the merger and (C) all of such shares of common stock after the third anniversary of the closing of the merger; and

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- a Senior Executive Holder may transfer shares of On Assignment common stock to certain permitted transferees provided that certain conditions are satisfied.

Restrictions on Other Employee Holders of Apex Systems. Without the Company's prior written consent, each holder of On Assignment common stock that is a signatory on the signature pages to the Investor Rights Agreement, other than a Founder or Senior Executive Holder (whom we refer to in this Proxy Statement as "Other Employee Holders"), shall not be permitted to transfer any of the shares of On Assignment common stock issued to such Other Employee Holder pursuant to the Merger Agreement during the period commencing on the closing of the merger and ending on the third anniversary of the closing, provided that in the event that such Other Employee Holder's employment with On Assignment or our subsidiaries terminates for any reason at any time during such three-year period, then the end of such period will be extended to the date that is the third anniversary of the date of the termination. Also, if an Other Employee Holder is in breach of his or her Non-Competition Agreement at any time during such period, then the end of such period will be extended to the date that is the third anniversary of such breach.

So long as such Other Employee Holder has not breached his Non-Competition Agreement:

- Other Employee Holders may transfer up to a number of shares of common stock issued to such Other Employee Holder pursuant to the Merger Agreement equal to (A) one-third of such shares after the first anniversary of the closing of the merger, (B) two-thirds of such shares after the second anniversary of the closing of the merger and (C) all of such shares of common stock after the third anniversary of the closing of the merger; and
 - Other Employee Holders may transfer shares of common stock to certain permitted transferees; provided that certain pre-conditions are satisfied.

Voting Restrictions

Pursuant to the Investor Rights Agreement, the Founders will vote all of their shares of On Assignment common stock in support of the Board's slate of directors as described above.

In addition, on all other matters to be voted on by shareholders of On Assignment for the first 12 months after the closing of the merger, the Investor Rights Agreement provides that the Founders will vote their shares of On Assignment common stock in accordance with the recommendations of the Board or, in the absence of such a recommendation, in the same proportions as all other shares of On Assignment common stock that are voted on such matter. The Founders will also be present, in person or by proxy, at all meetings of the shareholders of On Assignment so that all such shares owned by the Founders may be counted for the purpose of determining the presence of a quorum at such meetings.

These restrictions on voting will remain in effect until the date on which the Founders own less than 10.0% of the outstanding shares of On Assignment common stock.

Board Observers

Pursuant to the Investor Rights Agreement, so long as the Founders hold greater than 10% of the outstanding shares of On Assignment common stock, the Shareholder Representative will have the right to appoint to the Board three observers, who must be reasonably acceptable to On Assignment. At any time the Shareholder Representative is entitled to designate only one person for nomination for election to the Board, then the observers must include two of the Founders designated by the Shareholder Representative (each of whom we refer to in this Proxy Statement as a "non-executive observer"). Upon completion of the merger, the initial observers will be Randolph C. Blazer and Theodore S. Hanson, and Jeffrey E. Veatch (who will be the non-executive observer). Each observer will be able to

attend all meetings of the Board, subject to certain restrictions as set forth in the Investor Rights Agreement.

The Non-Competition Agreements

Founders and Senior Executive Holders. Simultaneously with the execution of the Merger Agreement, we entered into the Non-Competition, Confidentiality and Non-Solicitation Agreement (which we refer to in this Proxy Statement as the “Non-Competition Agreement”) with the Founders and Senior Executive Holders. The Non-Competition Agreement will become effective upon the completion of the merger. Each of the Founders and Senior Executive Holders have agreed that, among other things, for seven years after the closing date:

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- they will not engage in the business of Apex Systems in any country in the world in which Apex Systems conducts business as of the closing of the merger or the date of termination of such Founder or Senior Executive Holder's employment with On Assignment and its subsidiaries;
- they will not disclose any confidential or proprietary information relating to On Assignment, our subsidiaries or Apex Systems; or
- they will not (i) solicit or hire employees of Apex Systems or any of its subsidiaries, or (ii) cause any of Apex Systems' customers or suppliers to cease doing business or reduce the level of business with Apex Systems or any of its subsidiaries.

The "business of Apex Systems" means the business of recruiting or staffing personnel for or on behalf of businesses or providing personnel to businesses on a temporary or permanent basis, and any other business conducted by Apex Systems as of the closing of the merger.

Other Employee Holders. At the closing of the merger, we will enter into Confidentiality, Noncompetition, Nonsolicitation and Nondisclosure Agreements (which we refer to in this Proxy Statement as the "Other Non-Competition Agreements") with the Other Employee Holders who will become shareholders of On Assignment pursuant to the merger. The Other Employee Holders have agreed that:

- they will not, directly or indirectly, other than in their capacity as an employee of On Assignment or its subsidiaries, perform any employment activities of the type performed by the Other Employee Holder for Apex Systems, On Assignment or our subsidiaries for any business that provides services that are the same or substantially the same, and competitive with, the business of Apex Systems within a 50-mile radius of any office in which the Other Employee Holder regularly worked during the two-year period before the termination of his or her employment with the Apex Systems, On Assignment or our subsidiaries;
- they will not disclose any confidential or proprietary information relating to On Assignment, our subsidiaries or Apex Systems; or
- they will not (i) solicit or hire our employees, or (ii) cause any of our customers or suppliers to cease doing business or reduce the level of business with us or any of our subsidiaries.

The restrictions will be in effect for three years following the closing of the merger, 18 months following the termination of an Other Employee Holder's employment with On Assignment and its subsidiaries, or 18 months from the date a court of competent jurisdiction enters a final order enforcing the terms of the Other Non-Competition Agreement, whichever is later.

The "business of Apex Systems" means recruiting or staffing scientific, engineering, technical, computer, telecommunications, information technology, information systems or applications personnel, or related technical, clerical, legal or financial personnel, for or on behalf of businesses, or providing such personnel to businesses on a temporary or permanent basis, any other business conducted by Apex Systems, On Assignment or our subsidiaries as of the date of termination of employment of the Other Employee Holder with Apex Systems, On Assignment or our subsidiaries.

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INFORMATION ABOUT APEX SYSTEMS

Apex Systems Business

Apex Systems is an information technology staffing and services firm specializing in recruiting and placing information technology professionals for contract, contract-to-hire and direct placements. Apex Systems also offers related workforce solutions to their clients. Apex Systems was founded in 1995 and is headquartered in Richmond, Virginia. As of March 31, 2012, Apex Systems has a presence in 49 markets throughout the United States, approximately 1,000 full-time employees and over 950 clients.

Apex Systems serves Fortune 500, mid-market and emerging companies from a wide variety of industries including financial services, business services, consumer industrials, technology, healthcare, government services, communications and others. Since 2006, it has placed over 55,000 candidates at over 2,100 clients. Apex Systems has a full service of offerings, including staff augmentation, recruitment process outsourcing, sourcing through skill-based recruiting centers and managed solutions.

Apex Systems provides skilled professionals to clients that require technical, network and telecommunications support related to information technology infrastructure, technical project management, business application expertise in a variety of technical areas and other technical expertise.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The following table summarizes selected statement of operations data expressed as a percentage of revenues:

	Year Ended					
	December		December		December	
	31, 2011	%	25, 2010	%	26, 2009	%
Net sales	100.0	%	100.0	%	100.0	%
Cost of sales	72.6		71.6		70.5	
Gross margin	27.4		28.4		29.5	
Operating expenses	20.7		23.3		21.8	
Income from operations	6.7		5.1		7.6	
Other expenses:						
Interest expense	(0.4)	(0.5)	(0.3)
Other expense, net	(0.0)	(0.0)	(0.0)
Total other expenses	(0.4)	(0.5)	(0.4)
Net income	6.3	%	4.7	%	7.3	%

* Columns may not foot due to rounding.

Results of Operations for the Year Ended December 31, 2011 Compared with the Year Ended December 25, 2010

	Year Ended		Change	
	(in thousands, except percentages)			
	December	December	\$	%
	31, 2011	25, 2010		
Net sales	\$705,228	\$546,996	\$158,232	28.9 %

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Cost of sales	511,825	391,589	120,236	30.7	%
Gross margin	193,403	155,407	37,996	24.4	%
Operating expenses	146,190	127,238	18,952	14.9	%
Income from operations	47,213	28,169	19,044	67.6	%
Other expenses:					
Interest expense	(2,904)	(2,502)	(402)	16.1	%
Other expense, net	(156)	(142)	(14)	9.9	%
Total other expenses	(3,060)	(2,644)	(416)	15.8	%
Net income	\$44,153	\$25,525	\$18,628	73.0	%

Net Sales. Net sales increased \$158.2 million, or 28.9%, to \$705.2 million in 2011 from 2010 mainly due to increasing market share in existing accounts as well as adding new clients. In 2010 and 2011, net sales from new accounts accounted for 7.5% and 5.1% of net sales, respectively.

For the years ended December 31, 2011 and December 25, 2010, entities affiliated with Wells Fargo Bank, National Association and Bank of America, N.A., which are providing debt financing in connection with the merger, were the largest and fourth-largest clients, respectively, of Apex Systems based on net sales. Entities affiliated with Wells Fargo Bank, National Association accounted for 13.4% and 15.4% of Apex Systems' net sales for the year ended December 31, 2011 and December 25, 2010, respectively.

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Gross Margin. Gross margin increased \$38.0 million, or 24.4%, to \$193.4 million in 2011 from 2010. The year-over-year gross margin increase was primarily due to higher net sales, which was partially offset by a slight increase in cost of sales as a percentage of net sales. The slight increase in cost of sales was due to increased wage costs for information technology professionals. Cost of sales includes wages, taxes, and benefits as well as any associated contractor travel costs.

Operating Expenses. Operating expenses include field operating expenses, such as costs associated with our network of staffing consultants and branch offices, including staffing consultant compensation, rent, other office expenses, marketing and recruiting expenses for our contract professionals. Operating expenses also include our corporate and branch office support expenses, such as the salaries of corporate operations and support personnel, recruiting and training expenses for field staff, marketing staff expenses and other general and administrative expenses.

Operating expenses increased \$19.0 million in 2011, or 14.9%, to \$146.2 million from \$127.2 million in 2010. The increase in operating expenses was primarily due to a \$17.0 million increase in compensation and benefits. The increase in compensation and benefits was due to a \$14.4 million increase in bonuses, commissions and stock-based compensation as a result of increased revenue and the attainment of incentive compensation targets as well as a \$2.6 million increase in compensation expenses as a result of increased headcount. Operating expenses as a percentage of net sales decreased to 20.7% in 2011, compared with 23.3% in 2010.

Interest Expense. Interest expense was \$2.9 million in 2011 compared with \$2.5 million in 2010, representing a 16.1% increase. This increase was related to a higher average outstanding balance on the credit facility created by a year over year increase in borrowings under credit facilities of 19.3%, primarily to fund current operations and dividends to shareholders.

Results of Operations for the Year Ended December 25, 2010 Compared with the Year Ended December 26, 2009

	Year Ended		Change		
	December 25, 2010	December 26, 2009	\$	%	
Net sales	\$ 546,996	\$ 383,468	\$ 163,528	42.6	%
Cost of sales	391,589	270,456	121,133	44.8	%
Gross margin	155,407	113,012	42,395	37.5	%
Operating expenses	127,238	83,780	43,458	51.9	%
Income from operations	28,169	29,232	(1,063)	(3.6)%
Other expenses:					
Interest expense	(2,502)	(1,265)	(1,237)	97.7	%
Other expense, net	(142)	(94)	(48)	51.2	%
Total other expenses	(2,644)	(1,359)	(1,285)	94.5	%
Net income	\$ 25,525	\$ 27,873	\$ (2,348)	(8.4)%

Net Sales. Net sales increased \$163.5 million, or 42.6%, to \$547.0 million in 2010 from 2009 as a result of increasing market share in existing accounts as well as adding new clients. In 2009 and 2010, net sales from new accounts accounted for 4.6% and 7.5% of net sales, respectively. Entities affiliated with Wells Fargo Bank, National Association accounted for 15.4% and 9.1% of Apex Systems' net sales for the year ended December 25, 2010 and December 26, 2009, respectively.

Gross Margin. Gross margin increased \$42.4 million, or 37.5%, to \$155.4 million in 2010 from 2009. The year-over-year gross margin increase was primarily due to higher net sales, which was partially offset by a slight

increase in cost of sales as a percentage of net sales. The slight increase in cost of sales was due to increased wage costs for information technology professionals.

Operating Expenses. Operating expenses increased \$43.5 million, or 51.9%, to \$127.2 million in 2010 from \$83.8 million in 2009. The increase in operating expenses was primarily due to a \$40.8 million increase in compensation and benefits. The increase in compensation and benefits was due to a \$34.4 million increase in bonuses, commissions and stock-based compensation as a result of increased revenue and the attainment of incentive compensation targets as well as a \$6.4 million increase in compensation expenses as a result of increased headcount. Operating expenses as a percentage of net sales increased to 23.3% in 2010, compared with 21.8% in 2009.

Interest Expense. Interest expense was \$2.5 million in 2010 compared with \$1.3 million in 2009, representing a 97.7% increase. This increase was primarily due to a higher average outstanding balance on the credit facility created by a year over year increase in borrowings under credit facilities of 108.1%, primarily to fund current operations and dividends to shareholders.

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Liquidity and Capital Resources

Apex Systems' working capital (current assets less current liabilities) at December 31, 2011 was \$72.9 million, excluding \$7.1 million in cash. Working capital was 10.3% of Apex Systems' net sales for the 12 months ended December 31, 2011. Apex Systems considers all highly liquid financial instruments with an original maturity of three months or less to be cash equivalents. Apex Systems had no cash equivalents at December 31, 2011. Apex Systems' restricted cash is stated at cost and is held in an account to secure Apex Systems' health insurance claims. At December 31, 2011, Apex Systems' restricted cash was \$67.5 thousand and is included in prepaid expenses and other current assets.

Apex Systems' working capital requirements consist primarily of the financing of accounts receivable, payroll expenses, retirement plan expenses, expenses related to leased property and equipment and the periodic payments of principal and interest on Apex Systems' loans.

Net cash provided by operating activities was \$55.4 million for 2011 compared with \$14.6 million for 2010. Cash provided by operating activities in 2011 were primarily a function of net income plus incentive compensation plan expenses, accounts payable and accrued expenses, accrued compensation and benefits and deferred compensation expense, less accounts receivable, which increased compared to 2010. Cash provided by operating activities in 2010 were primarily a function of net income plus income from operations, incentive compensation plan expenses, deferred compensation expense, accounts payable and accrued expenses, accrued compensation and benefits, less accounts receivable, which increased compared to 2009.

Cash used in investing activity for purchase of property and equipment was \$338.1 thousand during 2011 and \$217.5 thousand in 2010. Apex Systems estimates that capital expenditures for 2012 will be approximately \$4.1 million based on a target of 50 basis points of net sales.

Net cash used in financing activities was \$55.5 million for 2011, compared with \$7.8 million used in financing activities in 2010. During 2011, repayments under lines of credit were \$54.4 million, versus \$33.6 million in 2010. Deferred financing costs in 2011 were \$370.8 thousand, versus \$284.4 thousand in 2010. Proceeds from new borrowings under lines of credit were \$69.5 million and \$74.1 million in 2011 and 2010, respectively. In 2011, Apex Systems made distributions to shareholders of \$63.5 million and payments for the settlement of incentive compensation plan awards of \$6.7 million. In 2010, these payments were \$47.5 million and \$0.5 million, respectively.

On September 19, 2011, Apex Systems entered into an \$85 million line of credit. As of December 31, 2011, Apex Systems had \$54.7 million available under this line of credit. Under the terms of Apex Systems' line of credit an unused commitment fee of 0.2% is payable quarterly on any difference between the maximum commitment and the amount of credit used.

On September 19, 2011, Apex Systems refinanced its existing term loan. The \$45 million four-year term loan entered into by Apex Systems on October 25, 2010, the balance of which was \$34.7 million at the date of refinancing, was increased by an additional \$45 million and extended to a five-year term. The full capacity of the refinanced loan is \$79.7 million.

During 2011, Apex Systems established standby letters of credit totaling \$70.5 thousand as of December 31, 2011 under Apex Systems' existing lines of credit to guarantee performance under certain contractual arrangements.

Apex Systems' line of credit and term loan contains certain financial covenants related to the fixed charge coverage and leverage ratios. Apex Systems was in compliance with these ratios as of December 31, 2011 and is currently in

compliance with these ratios. Additionally, these agreements, which are secured by substantially all of Apex Systems' assets, provide for certain limitations on Apex Systems' ability to, among other things, incur additional debt, offer loans and incur capital expenditures.

Apex Systems believes that its working capital as of December 31, 2011, its line of credit, term loan and positive operating cash flows expected from future activities will be sufficient to fund operations, including its debt repayment obligations, accounts payable and related payroll expenses, as well as capital expenditure initiatives for the next 12 months.

In connection with the merger, Apex Systems intends to dividend its cash to its shareholders. In addition, all outstanding debt under its existing line of credit and term loan will be repaid. The target working capital provided in the Merger Agreement for Apex Systems is 13% of trailing 12 months net sales.

Commitments and Contingencies

Apex Systems leases space for its corporate and branch offices. Total rent expense, which includes leased office space, computers and equipment, was \$8.0 million in 2011, \$8.1 million in 2010, \$8.2 million in 2009 and is expected to be approximately \$8.2 million in 2012. Please see "Additional Interests of Directors, Executive Officers and Certain Beneficial Owners" beginning on page 30 for a discussion of certain Apex Systems' leases.

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Apex Systems makes matching contributions to Apex Systems' 401(k) plan for the benefit of its eligible employees in an amount equal to 100% of the first 1% and 50% of the next 5% of the employees' compensation contributed. Matching contributions in 2011, 2010 and 2009 were approximately \$3.3 million, \$2.8 million and \$1.7 million, respectively.

The following table sets forth, on an aggregate basis, at December 31, 2011, the amounts of specified contractual cash obligations required to be paid in the periods shown:

Contractual Obligations	2012	2013	2014	2015	2016	Thereafter	Total
Long-term debt obligations	\$ 15,946,940	\$ 15,946,940	\$ 15,946,940	\$ 14,907,146	\$ 30,332,615	\$—	\$ 93,080,581
Operating lease obligations	7,037,548	6,625,239	3,212,863	2,609,123	1,698,869	606,055	21,789,697
Total	22,984,488	22,572,179	19,159,803	17,516,269	32,031,484	606,055	114,870,278

For additional information about these contractual cash obligations, see Notes 3 and 5 through 8 to Apex Systems' financial statements attached to this Proxy Statement. Interest payments related to Apex Systems' bank debt are not set forth in the table above. In addition, the table above does not include payments of deferred compensation as described in Notes 8 and 9 of Apex Systems' financial statements attached to this Proxy Statement. All stock appreciation rights, incentive, and non-qualified stock options under existing plans will be paid prior to closing pursuant to the Merger Agreement. The three-year long term incentive program, implemented in 2010, that would provide a total award of up to \$10.0 million to eligible employees, based on target revenue and earnings before interest, taxes, depreciation and amortization (EBITDA) goals will remain in effect. As of December 31, 2011, Apex Systems had accrued approximately \$6.7 million for the long term incentive program, included in deferred compensation on the balance sheet.

In May 2011, Apex Systems was notified by the Department of Labor (DOL) that it had purportedly underpaid wages to certain employees working on a specific government contract as a subcontractor to another provider. The DOL indicated that the underpayment was approximately \$2.6 million and was related to both wages and other benefits. This amount has been accrued in Apex Systems' financial statements for the year ended December 31, 2011. Apex Systems believes that some or all of this amount will be reimbursed by the direct provider. No amount has been accrued for this reimbursement and the amount reimbursed will be recognized in the future as the reimbursements are received.

In addition, Apex Systems is involved in various other legal proceedings, claims and litigation arising in the ordinary course of business. Apex Systems has recorded accruals for losses that it considered probable and reasonably estimable. Based on the facts currently available, Apex Systems does not believe that the disposition of any of these matters will have a material adverse effect on its liquidity, financial position or results of operations.

Off-Balance Sheet Arrangements

As of December 31, 2011, Apex Systems had no significant off-balance sheet arrangements other than operating leases and stand-by letters of credit.

Critical Accounting Policies

Apex Systems' accounting policies are described in Note 2 to its financial statements attached to this Proxy Statement. Apex Systems prepares its financial statements in conformity with GAAP, which require it to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Apex Systems considers the following policies to be most critical in understanding the judgments that are involved in preparing its financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows.

Revenue Recognition. Apex Systems' revenue is earned from staffing services performed under contracts with its clients. Revenue for such services is recognized when performed and approved by the client, based upon contracted billable rates for hours delivered plus reimbursable costs. Rebates provided to customers are recognized as earned, and are classified as a reduction to sales in the accompanying statements of income.

Accounts Receivable. Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is Apex Systems' best estimate of the amount of probable credit losses in Apex Systems' existing accounts receivable. Apex Systems reviews its allowance for doubtful accounts monthly. Past-due balances meeting specific criteria are reviewed individually for collectability. All other balances are reviewed on a pooled basis. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

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Derivative Instruments. Apex Systems recognizes all interest rate swap derivative instruments as either assets or liabilities on the balance sheet at their respective estimated fair values. Apex Systems does not designate the interest rate swaps as a hedge of the variability of cash flows to be paid related to its outstanding debt. Under the terms of the agreements, Apex Systems pays the counterparty based on the respective fixed rate and receives payments based upon a floating rate, the net of which is recorded as an increase or decrease to interest expense.

Stock-Based Compensation. Prior to 2006, Apex Systems applied the intrinsic-value method prescribed by Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (APB No. 25), and related interpretations. The grants to employees of stock appreciation rights (SARs) and options to purchase common stock were accounted for using variable plan accounting, which required the SARs to be classified as liabilities and the options to be classified as equity. Vesting in SARs and options to purchase common stock are generally contingent upon the employee meeting certain service and/or performance criteria.

Effective January 1, 2006, Apex Systems adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 718, Compensation - Stock Compensation (ASC 718). This guidance supersedes APB No. 25. ASC 718 requires that all stock-based compensation be recognized as an expense in the financial statements. This statement was adopted using the prospective-transition method. Apex Systems' SARs and option awards are liability classified based on Apex Systems' intent to settle the awards for cash at the time of exercise, and Apex Systems has elected to measure its liability classified stock-based compensation awards based upon their intrinsic value as defined under the terms of the awards.

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Quantitative and Qualitative Disclosures about Market Risk

Apex Systems is exposed to certain market risks arising from transactions in the normal course of business, principally risks associated with interest rates. Apex Systems' primary exposure to market risk is interest rate risk associated with its debt instruments.

As of December 31, 2011, Apex Systems had a combined \$93.1 million of principal outstanding under revolving credit and term loan agreements which bear interest at variable-rates based on LIBOR plus an applicable margin. Additionally, Apex Systems has entered into two interest rate swaps with a total notional value of \$10.0 million which are intended to partially offset a portion of the exposure to changes in the interest rate associated with its outstanding debt. The first \$5.0 million in notional value expires on June 5, 2013 and the remaining \$5.0 million in notional value expires on July 11, 2013. As of December 31, 2011, the fair value of these swaps was a liability of \$0.6 million.

Excluding the effect of Apex Systems' interest rate swap agreement, a hypothetical 1.0% change in interest rates on variable rate debt would have resulted in interest expense fluctuating approximately \$0.9 million based on \$93.1 million of debt outstanding for any 12 month period. Including the effect of our interest rate swap agreement, a 1.0% change in interest rates on variable debt would have resulted in interest expense fluctuating approximately \$0.8 million based on \$83.1 million of debt outstanding for any 12 month period.

Apex Systems has not entered into any market risk sensitive instruments for trading purposes.

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Selected Financial Information

The selected historical financial data set forth below is derived in part from and should be read together with Apex System's financial statements, the related notes and "Information about Apex Systems—Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Proxy Statement. The statement of income data for each of the years ended December 29, 2007, December 27, 2008, December 26, 2009, December 25, 2010 and December 31, 2011 and the balance sheet data as of the same dates were derived from Apex System's audited financial statements appearing in the annexes to this Proxy Statement and the books and records of Apex Systems. Historical results are not necessarily indicative of results to be expected for future periods.

	Year Ended (in thousands)				
	December 31, 2011	December 25, 2010	December 26, 2009	December 27, 2008	December 29, 2007
Net sales	\$705,228	\$546,996	\$383,468	\$402,233	\$398,481
Cost of sales	511,825	391,589	270,456	273,974	272,691
Gross margin	193,403	155,407	113,012	128,259	125,790
Operating expenses	146,190	127,238	83,780	93,785	102,392
Income from operations	47,213	28,169	29,232	34,474	23,398
Total other expenses	(3,060)	(2,644)	(1,359)	(3,964)	(2,570)
Net income	\$44,153	\$25,525	\$27,873	\$30,510	\$20,828

Balance Sheet Data (at end of period):

Cash	\$7,132	\$7,588	\$977	\$6,020	\$73
Working capital	72,907	70,117	52,730	51,444	32,795
Total assets	135,915	124,817	73,343	76,193	72,155
Long-term liabilities	95,623	75,387	39,691	54,315	4,009
Shareholders' equity (deficit)	(13,520)	4,387	16,563	6,176	31,367

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The unaudited pro forma condensed combined balance sheet as of December 31, 2011 and the unaudited pro forma condensed combined statement of income for the year ended December 31, 2011 are based on the separate historical consolidated financial statements of On Assignment and Apex Systems. On Assignment's fiscal year ends on December 31. Apex Systems uses a 52/53-week fiscal year ending on the Saturday closest to December 31. These unaudited pro forma condensed combined financial statements reflect the merger and related events using the acquisition method of accounting and apply the assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined balance sheet as of December 31, 2011 reflects the merger and related events as if they had been consummated on December 31, 2011. The unaudited pro forma condensed combined statement of income for the year ended December 31, 2011 reflect the merger and related events as if they had been consummated on January 1, 2011.

The pro forma adjustments are based upon available information and assumptions that the managements of On Assignment and Apex Systems believe reasonably reflect the merger. We present the unaudited pro forma condensed combined financial statements for informational purposes only. The pro forma condensed combined financial statements are not necessarily indicative of what our financial position or results of operations actually would have been had we completed the merger as of the dates indicated. In addition, the unaudited pro forma condensed combined financial statements do not purport to project the future financial position or operating results of On Assignment. You should read this information together with the following:

- the accompanying notes to the unaudited pro forma condensed combined financial statements;
- the separate historical audited financial statements of On Assignment as of and for the year ended December 31, 2011 included in On Assignment's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, which are incorporated by reference into this Proxy Statement; and
- the separate historical audited financial statements of Apex Systems as of and for the fiscal year ended December 31, 2011, which are included in the annexes to this Proxy Statement.

The unaudited pro forma condensed combined financial statements were prepared using the acquisition method of accounting, with On Assignment as the acquirer. Accordingly, the total estimated purchase price, calculated as described in Note 2 to the unaudited pro forma condensed combined financial statements, is allocated to the net tangible and identifiable intangible assets of Apex Systems acquired in connection with the merger, based on their respective estimated fair values. Should there be an increase in the fair value of the Apex Systems tangible and/or identifiable intangible assets as of the closing date of the merger, the amount of the purchase price allocated to these assets will increase accordingly, resulting in a decrease in the amount of goodwill recorded and an increase in depreciation expense and/or amortization expense.

The allocation is dependent upon valuations and other studies that have not progressed to a stage where there is sufficient information to make a definitive allocation. Accordingly, the purchase price allocation pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial statements. The final purchase price allocation, which will be determined subsequent to the closing of the merger, and its effect on results of operations may differ significantly from the pro forma amounts included in the unaudited pro forma condensed combined financial statements. The amounts allocated to identifiable intangible assets and goodwill represent the managements' best estimate as of the date of this Proxy Statement. In order to provide a definitive accounting of the purchase price allocation as of the date of the closing of the merger, On Assignment will retain valuation specialists to help establish the fair value of the net tangible and identifiable intangible assets of Apex Systems as of the closing date. These valuations will primarily include valuations of the fair

value of identifiable intangible assets such as tradename, customer relationships, non-compete agreements and contractor relations. In addition, On Assignment will review and adjust the effective tax rate as required, and adjust estimated transaction costs to actual. ASC 805 allows the acquiring company one year to complete the final analysis and accounting for the purchase price allocation related to a business combination.

In connection with the plan to integrate the operations of On Assignment and Apex Systems, we anticipate that non-recurring charges, such as costs associated with the implementation of compliance with Sarbanes-Oxley for Apex Systems will be incurred. We are not able to determine the timing, nature and amount of these charges as of the date of this Proxy Statement. However, these charges could affect the combined results of operations of On Assignment and Apex Systems in the period in which they are recorded. The unaudited pro forma condensed combined financial statements do not include the effects of the costs associated with any integration activities resulting from the transaction, as they are non-recurring in nature and not factually supportable at the time that the unaudited pro forma condensed combined financial statements were prepared. In addition, the unaudited pro forma condensed combined financial statements do not include the realization of any cost savings from operating efficiencies or synergies resulting from the transaction, nor do they include any potential incremental revenues and earnings that may be achieved with the combined capabilities of the companies.

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UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

As of December 31, 2011

(in thousands)

	On Assignment, Inc.	Apex Systems, Inc.	Pro Forma Adjustments	Pro Forma Combined
ASSETS				
Current assets				
Cash and cash equivalents	\$ 17,739	\$ 7,132	\$ (11,382) (a)	\$ 13,489
Accounts receivable - net	93,925	123,811	-	217,736
Prepaid expenses and other current assets	7,252	2,908	(952) (b)	9,208
Income tax receivable	2,927	-	-	2,927
Deferred income taxes	9,271	-	-	9,271
	131,114	133,851	(12,334)	252,631
Property, plant and equipment, net	18,057	877	-	18,934
Goodwill	229,234	-	243,770 (c)	473,004
Identifiable intangible assets, net	30,206	-	284,339 (d)	314,545
Other assets	2,054	1,187	15,254 (b)	18,495
Total Assets	\$ 410,665	\$ 135,915	\$ 531,029	\$ 1,077,609
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	\$ 4,112	\$ 10,453	\$ -	\$ 14,565
Current portion of long-term debt	5,000	15,947	(16,047) (e)	4,900
Accrued payroll and contract professional pay	24,948	19,342	-	44,290
Deferred compensation	1,896	-	-	1,896
Accrued workers' comp and med mal loss reserves	10,401	-	-	10,401
Accrued earn-outs	3,488	-	-	3,488
Other	6,564	8,070	(254) (f)	14,380
	56,409	53,812	(16,301)	93,920
Deferred tax liabilities	14,856	-	-	14,856
Long-term debt, less current portion	81,750	77,134	326,216 (e)	485,100
Accrued earn-outs	6,368	-	-	6,368
Other	4,539	18,489	-	23,028
Total Liabilities	163,922	149,435	309,915	623,272
Shareholders' Equity:				
Preferred stock	-	-	-	-
Common stock	370	19,393	(19,250) (g)	513
Paid-in capital	229,377	-	216,857 (g)	446,234
Retained earnings (deficit)	19,034	(32,913)	23,507 (h)	9,628
Accumulated other comprehensive loss	(2,038)	-	-	(2,038)

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Total Shareholders' Equity	246,743	(13,520)	221,114	454,337
Total Liabilities and Shareholders' Equity	\$ 410,665	\$ 135,915	\$ 531,029	\$ 1,077,609

The accompanying notes are an integral part of the unaudited pro forma condensed combined financial statements.

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UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME

For the Year Ended December 31, 2011

(in thousands, except share and per share data)

	On Assignment, Inc.	Apex Systems, Inc.	Pro Forma Adjustments	Pro Forma Combined
Revenues	\$ 597,281	\$ 705,228	\$ -	\$ 1,302,509
Cost of services	397,176	511,825	-	909,001
Gross profit	200,105	193,403	-	393,508
Selling, general and administrative expenses	155,706	146,190	15,476 (i)	317,372
Operating income	44,399	47,213	(15,476)	76,136
Interest income	39	-	-	39
Interest expense	(2,975)	(2,904)	(18,855) (j)	(24,734)
Other expense	-	(156)	-	(156)
Income before income taxes	41,463	44,153	(34,331)	51,285
Provision for income taxes	17,166	-	3,929 (k)	21,095
Net income	\$ 24,297	\$ 44,153	\$ (38,260)	\$ 30,190
Basic earnings per share	\$ 0.66			\$ 0.59
Weighted average number of shares outstanding	36,876		14,305 (l)	51,181
Diluted earnings per share	\$ 0.64			\$ 0.58
Weighted average number of shares and dilutive shares outstanding	37,758		14,305 (l)	52,063

The accompanying notes are an integral part of the unaudited pro forma condensed combined financial statements.

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NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS
(in thousands)

1. Basis of Presentation

The accompanying unaudited pro forma condensed combined financial statements present the pro forma results of operations and financial position of On Assignment and Apex Systems on a combined basis based on the audited historical financial information of each company and after giving effect to the acquisition of Apex Systems by On Assignment. The acquisition will be recorded using the acquisition method of accounting.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2011 combines the historical results for On Assignment for the year ended December 31, 2011 and the historical results for Apex Systems for the twelve months ended December 31, 2011, as if the acquisition had occurred on January 1, 2011. The unaudited pro forma condensed combined balance sheet as of December 31, 2011 combines the historical results for On Assignment as of December 31, 2011 and the historical results for Apex Systems as of December 31, 2011, as if the acquisition had occurred on December 31, 2011.

2. Estimated Purchase Price

The estimated purchase price of Apex Systems is summarized as follows:

Common Stock, 14,305 shares	\$217,000
Cash	383,000
Total estimated purchase price of acquisition	\$600,000

Under the Merger Agreement, Apex Systems shareholders may elect to receive consideration consisting of shares of On Assignment common stock, or a combination of cash and shares of On Assignment common stock in exchange for their shares of Apex Systems common stock, subject to certain proration features. However, the total number of shares of stock issued cannot exceed 17,486 and the cash cannot exceed \$383,000 related to the consideration paid.

3. Pro Forma Adjustments

Pro forma adjustments to condensed combined balance sheet:

(a) To reflect the following cash transactions:

Proceeds:

Borrowings under new term loan	\$ 490,000
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Uses:

Consideration to Apex Systems, including the settlement of existing Apex Systems' debt and the settlement of existing Apex Systems' options and SARs, plus return of cash as of December 31, 2011	(390,132)
Repayment of On Assignment debt outstanding as of December 31, 2011	(86,750)
Financing costs	(17,000)
Transaction fees	(7,500)
Net pro forma cash adjustment	\$ (11,382)

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On Assignment expects to borrow \$490,000 under a new term loan, which will bear interest at floating rates based upon LIBOR (with a LIBOR floor of 1.25%) plus a spread of 3.75%.

(b) To reflect the following current asset and other asset transactions:

Write-off of On Assignment unamortized loan costs - current	\$(414)
Apex shareholder receivable payment	(538)
Net pro forma current assets adjustment	\$(952)

Write-off of On Assignment unamortized loan costs - long-term	\$(1,164)
Write-off of Apex Systems' unamortized loan costs - long-term	(582)
Capitalized loan costs of new term loan	17,000
Net pro forma other assets adjustment	\$ 15,254

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(c) To reflect the estimated amount of \$243,770 of goodwill resulting from the excess of the purchase price over the fair value of net tangible assets and identifiable intangible assets acquired.

(d) To reflect the estimated amount of identifiable intangible assets based on a preliminary valuation:

Customer relationships	\$132,245	11 Years
Tradenames	134,616	Indefinite
Non-compete agreements	2,047	7 Years
Contractor relations	15,431	5 Years
	\$284,339	

(e) To reflect the following debt -related transactions:

Borrowings under a new credit agreement - current	\$4,900
Repayment of On Assignment's existing debt - current	(5,000)
Repayment of Apex Systems' existing debt - current	(15,947)
Net pro forma current portion of debt adjustment	\$(16,047)
Borrowings under a new credit agreement - long-term	\$485,100
Repayment of On Assignment's existing debt - long-term	(81,750)
Repayment of Apex Systems' existing debt - long-term	(77,134)
Net pro forma long-term debt adjustment	\$326,216

On Assignment will pay off Apex Systems' debt with proceeds from the new term loan. Such payment will reduce the cash to be paid to shareholders of Apex Systems.

(f) To reflect the elimination of On Assignment's and Apex Systems' historical accrued interest related to debt that will be paid-off at the time of the acquisition of \$12 and \$242, respectively.

(g) To reflect the following common stock and additional paid-in capital transactions:

Elimination of existing Apex Systems' common stock	\$(19,393)
Par value for issuance of 14,305 On Assignment shares related to merger	143
Net pro forma common stock adjustment	\$(19,250)
Additional paid-in capital adjustment for excess fair value over par value for issuance of 14,305 On Assignment shares	\$216,857

(h) To reflect the following retained earnings transactions:

Elimination of existing Apex Systems' accumulated deficit	\$32,913
Write-off of deferred financing costs for On Assignment and Apex Systems' existing debt	(2,160)
Elimination of accrued interest for On Assignment and Apex Systems' existing debt	254
Impact of non-recurring transaction costs	(7,500)
Net pro forma retained earnings adjustment	\$23,507

Pro forma adjustments to condensed combined statement of operations:

(i) To reflect additional amortization expense of \$15,401 related to the fair value of identifiable intangible assets subject to amortization for the year ended December 31, 2011. Additionally, \$125 for additional administrative bank fees related to the new term loan offset by \$50 for the elimination of administrative fees related to the On Assignment existing debt.

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(j) To reflect the following interest activity:

Incremental interest expense related to the new term loan	\$22,355
Deferred financing cost amortization	2,833
Elimination of On Assignment's historical interest expense on debt being repaid	(2,949)
Elimination of Apex Systems' historical interest expense on debt being repaid	(3,384)
Net pro forma interest adjustment	\$18,855

A 1/8% change in the floating rate would result in a \$594 change in interest expense annually.

(k) Pro forma income tax expense for the year ended December 31, 2011 reflects a 40% statutory rate applicable to pro forma adjustments, as well as increasing Apex Systems' 2011 income tax provision from an S-Corporation tax rate to a C-Corporation tax rate, and does not reflect impact of Section 338(h)(10) election.

(l) To reflect the issuance of 14,305 shares of common stock on the date of acquisition as a part of the consideration for the acquisition. The share price used to determine the number of shares was based on the minimum under the fixed price collar, as the closing price of the stock on March 27, 2012 of \$17.31 results in a lesser amount. There is a fixed price collar of plus or minus 10% on the number of shares to be issued to Apex Systems' shareholders for a maximum of 17,486 and a minimum of 14,305 new On Assignment shares.

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PROPOSAL TWO – ELECTION OF DIRECTORS

The Bylaws of On Assignment provide that our Board shall be comprised of not less than four or more than seven directors and the exact number may be fixed by the Board. The Board fixed the authorized number of directors at five following the 2007 Annual Meeting. If the On Assignment shareholders approve the share issuance proposal and the merger is completed, the Board will be comprised of seven directors, two of whom will be designated by the Shareholder Representative. Please see “The Merger” beginning on page 17 for a detailed discussion of the merger. The Board is divided into three classes, as equal in number as possible. At each Annual Meeting, one class of directors is elected for a three-year term.

At this year’s Annual Meeting, two directors will be elected to serve until our 2015 Annual Meeting or until their successors are elected and qualified. Mr. Jeremy M. Jones, who currently serves as an independent director and Chairman of the Board and whose term is expiring, has been nominated to stand for re-election. Mr. Edward L. Pierce, who currently serves as an independent director and chairman of the Audit Committee and whose term is expiring, has been nominated to stand for re-election. Unless otherwise instructed by shareholders, the persons named as proxies will vote the proxies received by them FOR the election of Mr. Jones and Mr. Pierce. Mr. Jones and Mr. Pierce have consented to serve if elected, but if either is unable or unwilling to serve, the persons named as proxies may exercise their discretion to vote for substitute nominees.

Approval of Proposal Two

The nominees receiving the highest number of FOR votes cast will be elected as director. The Board unanimously recommends that our shareholders vote FOR the election of our nominees.

Set forth below are the biographies which include the skills, qualities and experiences of each of the nominees and each director.

Directors with Terms Ending in 2015

Name	Age	Principal Occupation and Directorship
Jeremy M. Jones	70	Jeremy Jones has served as a director since May 1995 and was appointed Chairman of the Board in February 2003. Mr. Jones has been an investor and business development consultant since February 1998. From 1987 to 1995, Mr. Jones was Chief Executive Officer and Chairman of the Board of Homedco Group, Inc., a home healthcare services company, which became publicly traded in 1991. Homedco merged into Apria Healthcare Group, Inc. in 1995 and from 1995 through January 1998, Mr. Jones was Chief Executive Officer and Chairman of the Board of Apria Healthcare Group, Inc., which also provided home healthcare services. Mr. Jones served as Chairman of the Board of Byram Healthcare Centers, a provider of retail medical supplies and wholesale medical and hospital equipment, from February 1999 until its sale in March of 2008. Mr. Jones was a director for Access Point Medical from May 2004 to December 2005. Mr. Jones was a director of US Labs, an esoteric oncology and hematopathology laboratory from November 2003 through February 2005. From July 2003 to January 2011, Mr. Jones served as a director for Lifecare Solutions, Inc., a provider of integrated home healthcare products and services. Mr. Jones possesses significant business management and corporate governance experience. Mr. Jones contributes an extensive understanding of the healthcare industry.

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Edward L. Pierce	55	Edward Pierce has served as a director since December 2007. Mr. Pierce currently is an executive in residence at Flexpoint Ford, a private equity firm. From February 2008 to March 2011, Mr. Pierce served as the President of First Acceptance Corporation, a publicly-traded retailer, servicer and underwriter of non-standard private passenger automobile insurance. Mr. Pierce served as Executive Vice President and Chief Financial Officer of First Acceptance Corporation from October 2006 through February 2008. From May 2001 through February 2006, Mr. Pierce served as Executive Vice President and Chief Financial Officer and as a director of BindView Development Corporation, a publicly-traded network security software development company where he was responsible for accounting, finance, risk management, information technology, human resources and other administrative functions. From November 1994 through January 2001, Mr. Pierce held various financial management positions, including Executive Vice President and Chief Financial Officer of Metamor Worldwide, Inc., then an international publicly-traded information technology consulting/staffing company. From November 1989 to November 1994, Mr. Pierce was the corporate controller of American Oil and Gas Corporation, a NYSE traded intra-state pipeline and natural gas liquids processor. Prior thereto, Mr. Pierce also worked as a senior audit manager at Arthur Andersen & Co. where he planned, supervised and managed financial audits of publicly-traded companies. Mr. Pierce received his Bachelor of Science degree in Accounting from Harding University. Mr. Pierce has had extensive experience with the analysis and preparation of financial statements and risk management. In addition, Mr. Pierce provides the Board with business, corporate management and staffing industry experience.
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Continuing Directors

Set forth below is certain information regarding On Assignment's continuing directors including their age as of the Annual Meeting, term of office as director and business experience.

Director with Term Ending in 2013

Name	Age	Principal Occupation and Directorship
Senator William E. Brock	81	Senator Brock has served as a director of the Company since April 1996. Senator Brock is the founder, and from 1994 to present, CEO of The Brock Offices, a consulting firm specializing in international trade and human resource development. From 1988 to 1991, Senator Brock served as Chairman of the National Endowment for Democracy, an organization he helped found in 1980. Senator Brock served in President Reagan's cabinet as Secretary of Labor from 1985 to 1987 and as United States Trade Representative from 1981 to 1985. As United States Trade Representative, Senator Brock organized the Quad Forum of trade and economic ministers from Europe, Japan and Canada and led the group to initiate the World Trade Organization. From 1977 to 1981, Senator Brock served as National Chairman of the Republican Party. From 1970 to 1976, he was a member of the U.S. Senate and from 1962 to 1970, he was a member of the U.S. House of Representatives. The National Academy of Human Resources has recognized Senator Brock for his outstanding contribution to human development in the United States. Senator Brock is a member of the Board for Catalyst Health Solutions, Inc., a publicly traded company centered on the management of prescription drug benefits, and serves on its Executive and Audit Committees. Senator Brock is a member of the Board of Strayer Education, Inc., a publicly traded education services holding company that owns Strayer University, which provided professional education to working adults, and serves on its Compensation Committee and its Nomination and Governance

Committee. Senator Brock is a member of the Board of ResCare, a publicly traded provider of home care, residential support services to the elderly and persons with disabilities as well as vocational training and job placement for people of all ages and skill levels, and serves on its Audit and Mergers and Acquisitions Committees. Through his extensive governmental experience, he provides in-depth knowledge in the areas of business, regulatory compliance and risk management. Senator Brock provides the Board with a wealth of business operations experience including direct experience with healthcare, human resource development and public company corporate governance.

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Directors with Terms Ending in 2014

Name	Age	Principal Occupation and Directorship
Peter T. Dameris	52	<p>Peter Dameris was appointed as our Chief Executive Officer and President as of September 28, 2004, and has served as a director since December 10, 2004. Prior to such appointment, Mr. Dameris had been Executive Vice President and Chief Operating Officer of On Assignment since November 2003. From February 2001 through October 2002, Mr. Dameris served as Executive Vice President and Chief Operating Officer of Quanta Services, Inc., a publicly-held provider of specialized contracting services for the electric and gas utility, cable and telecommunications industries. Mr. Dameris created a regional operating organization for 85 acquired businesses and developed materials to support marketing and a national corporate image to support outsourcing initiatives, established cash generation, credit management, balance sheet improvement initiatives. From December 1994 through September 2000, Mr. Dameris served in a number of different positions at Metamor Worldwide, Inc., then an international, publicly-traded information technology consulting/staffing company. Mr. Dameris' positions at Metamor Worldwide included Chairman of the Board, President and Chief Executive Officer, Executive Vice President, General Counsel, Senior Vice President and Secretary. Mr. Dameris negotiated the \$1.9 billion sale of Metamor to PSINet. Mr. Dameris was a member of the Board of Bindview Corporation, a publicly-traded network security software development company (acquired by Symantec Corporation in January 2006) from November 2002 to January 2006. Mr. Dameris holds a Juris Doctorate from the University of Texas Law School and a Bachelor of Science degree in Business Administration from Southern Methodist University. Mr. Dameris provides the Board with extensive staffing industry experience, having served in various capacities at publicly-traded staffing companies and having represented staffing companies in the private practice of law. Mr. Dameris has comprehensive experience from his roles in senior executive management, leadership and legal positions as well as his work as an attorney in the private practice of law. Mr. Dameris has extensive experience in international and domestic staffing, financial reporting, compensation, legal matters and corporate affairs which are valuable in his position as a director and chief executive officer of the company.</p>
Jonathan S. Holman	66	<p>Jonathan Holman has served as a director since March 1994. Mr. Holman is the founder and since 1981 has been the President of The Holman Group, Inc., an executive search firm. To date, Mr. Holman has recruited over 140 CEOs to public and private companies, ranging from start-ups to companies with over \$1 billion in revenue and in a variety of industries. Mr. Holman was named as one of the top 200 executive recruiters in the world in The Global 200 Executive Recruiters and named as one of the top 250 executive recruiters in The New Career Makers. Mr. Holman regularly speaks at technology industry gatherings. Prior to founding The Holman Group, Mr. Holman served in various human resources-related positions. Mr. Holman holds his Master of Business Administration from Stanford University and a Bachelor of Arts degree from Princeton University, both with high academic honors. In his role at the Holman Group, Mr. Holman has developed extensive skills and experience in compensation matters. Mr. Holman provides the Board, including our Compensation Committee, with meaningful insight regarding hiring and salary practices of publicly-traded companies. In addition, Mr. Holman provides the Board with human resources experience.</p>

Independent Directors and Material Proceedings

Following the Annual Meeting, the Board will continue to consist of five members, a majority of which are deemed by the Board to be “independent directors” under the current listing standards of the NASDAQ Global Select Market. Our independent directors are Senator Brock, Mr. Holman, Mr. Jones and Mr. Pierce. If the On Assignment shareholders approve the share issuance proposal and the merger is completed, the Board will be comprised of seven directors, two of whom will be designated by the Shareholder Representative. Please see “The Merger” beginning on page 17 for a detailed discussion of the merger. The Board has made a subjective determination as to each independent director that no relationships exists which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out his responsibilities as a director. In making these determinations, the Board has considered information provided by the directors and management with regard to the business and personal activities of each director as they may relate to On Assignment and members of management. There are no family relationships among our executive officers and directors.

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There are no material legal proceedings to which the Company or any of its subsidiaries is a party or of which any of their property is subject. There are no material legal proceedings to which any director, officer or affiliate of the Company, any owner of record or beneficially of more than five percent of the Company's voting securities, or any associate of any such director, officer, affiliate of the Company or security holder is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

Role of the Board

The Board oversees the Company's Chief Executive Officer and other executive officers in the competent and ethical operation of the Company. The Board ensures that the long-term interests of the shareholders are considered in the operation of the Company.

Board Leadership Structure

The Board has consistently maintained an independent Chairman of the Board. The Board has made a determination that the Board leadership structure is appropriate and that the structure allows the Board to fulfill its duties effectively and efficiently. The Company has determined its leadership structure is appropriate because the Chairman of the Board is independent, as defined by the NASDAQ Global Select Market and the SEC. An independent Chairman, like independent Board members, allows for an objective evaluation of the performance of the Company and its offices. Nonetheless, the Board recognizes that the President and CEO has invaluable insight into the Company due to the nature of his position and recognizes the value of having the CEO on the Board. Accordingly, the Board believes that the Company's shareholders and interests are best served by keeping the position of President/Chief Executive Officer and Chairman of the Board as separate and independent positions.

Board Committees and Meetings

The Board held six meetings during the year ended December 31, 2011 and acted by unanimous written consent on three occasions. The Board has a Compensation Committee, an Audit Committee, a Nominating and Corporate Governance Committee and a Stock Option Committee. The Board has determined that the Chairmen and committee members of each of the Compensation Committee, the Audit Committee and the Nominating and Corporate Governance Committee are independent under the applicable NASDAQ Global Select Market and SEC rules.

The members and chairmen of the Committees are identified in the table below:

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Stock Option Committee
William E. Brock		X	Chair	
Peter T. Dameris				Chair
Jonathan S. Holman	X	Chair	X	
Jeremy M. Jones	X	X	X	
Edward L. Pierce	Chair			

Of the named executive officers, Mr. Brill currently serves as a director of Onvia, Inc., where he the chairman of the Audit Committee. Mr. Brill served as a member of the Compensation Committee of Onvia, Inc. in 2007.

Compensation Committee. The Compensation Committee held seven meetings during 2011 and acted by unanimous written consent on eight occasions. The Compensation Committee meets in executive session without management present on a regular basis. The Compensation Committee reviews our general compensation policies, sets the compensation levels for our executive officers, including the CEO, and administers our equity plans. The Compensation Committee approves the compensation, including incentive compensation, of certain senior executive officers of On Assignment and determines the terms of key agreements concerning employment, compensation and termination of employment. The Board has determined that each member of the Compensation Committee is independent within the meaning of the NASDAQ Global Select Market rules requiring members of compensation committees to be independent. The Compensation Committee charter provides that the Compensation Committee may delegate its authority, subject to the terms in the charter, but the Compensation Committee has never delegated such authority.

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Audit Committee. The Audit Committee held six meetings during 2011. The Audit Committee reviews, acts on and reports to the Board with respect to various auditing and accounting matters. The Audit Committee performs functions required of audit committees of public companies under applicable laws, rules and regulations and the requirements of the NASDAQ Global Select Market. The primary functions of the Audit Committee are to assist the Board in its responsibility for oversight of:

- the quality and integrity of our financial statements and our financial reporting and disclosure practices
 - our systems of internal controls regarding finance and accounting compliance
- the independence and performance of our outside accountants appointment, compensation, evaluation, retention and oversight of On Assignment's independent accountants
 - our ethical compliance programs
 - risk issues related to financial statements

The Audit Committee's functions include, but are not limited to, reviewing compliance with and reporting under Section 404 of the Sarbanes-Oxley Act of 2002, reviewing matters of disagreement, if any, between management and our independent accountants, and regularly meeting with our independent accountants and internal audit staff to review the adequacy of our internal controls.

Rules adopted by the NASDAQ Global Select Market and the Securities and Exchange Commission (SEC) impose strict independence requirements for all members of the Audit Committee. Audit Committee members are barred from accepting, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or an affiliate of the Company, other than in the member's capacity as a member of the Board and any Board committee. In addition, an Audit Committee member may not be an affiliated person, as defined in Securities Exchange Act of 1934, as amended, of the Company except in his capacity as a member of the Board and any Board committee. The Board has determined that each member of the Audit Committee meets all applicable independence requirements and that each Audit Committee member has no material relationship with the company that would jeopardize the director's ability to exercise independent judgment. The Board has determined that Mr. Pierce, based on his experience, skills and education as described above, is the Audit Committee financial expert, as that term is defined under the SEC rules and also meets the additional criteria for independence of audit committee members set forth in the Exchange Act.

The Company has adopted a process, which the Audit Committee oversees, for disclosing related-party transactions and identifying significant deficiencies each quarter in connection with filing our quarterly reports on Form 10-Q and our annual report on Form 10-K.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee evaluates director nominee candidates and makes recommendations to the Board with respect to the nomination of individuals for election to the Board and to serve as committee members. In addition, the Nominating and Corporate Governance Committee makes recommendations to the Board concerning the size, structure and composition of the Board and its committees. The Board has determined that each member of the Nominating and Corporate Governance Committee is independent within the meaning of the NASDAQ Global Select Market rules requiring members of nominating committees to be independent. The Nominating and Corporate Governance Committee met twice in 2011 and acted by unanimous written consent once in 2011. The Nominating and Corporate Governance Committee recommended the nominations of Mr. Jones and Mr. Pierce for election at this year's Annual Meeting.

The Nominating and Corporate Governance Committee charter, and the Corporate Governance Guidelines established by the Nominating and Corporate Governance Committee, set forth certain criteria for the committee to consider in evaluating potential director nominees. However, in considering potential director nominees, the Nominating and Corporate Governance Committee considers the entirety of each candidate's credentials. Qualifications considered by the Nominating and Corporate Governance Committee vary according to the particular areas of expertise being sought as a complement to the existing composition of the Board and include:

- personal and professional ethics and integrity;
- sound judgment;
- the ability to make independent analytical inquiries;
- willingness and ability to devote adequate time and resources to diligently perform the duties of a director;

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- relevant business experience and acumen;
- specific industry expertise;
- familiarity with general issues affecting our business;
- qualifications as an audit committee financial expert;
- diversity in a variety of areas;
- qualifications as an independent director; and

- areas of expertise that the Board should collectively possess such as board experience, CEO experience, human resources experience, accounting and financial oversight experience and corporate governance experience.

The Nominating and Corporate Governance Committee relies primarily on recommendations for director candidates from its members, other directors, the Chief Executive Officer and third parties, including professional recruiting firms. In 2011, no professional recruiting firms or consultants were needed and, accordingly, no fees were paid in this regard to professional recruiting firms or consultants. Existing directors being considered for re-nomination are evaluated based on their performance as directors, experience, skills, education and independence to ensure that they continue to meet the qualifications above. In addition, On Assignment's Corporate Governance Guidelines provide that the importance of a diversified Board membership, in terms of both the individuals involved and their various experiences and areas of expertise will be considered for purposes of nominating directors. The Nominating and Corporate Governance Committee considers diversity in identifying nominees, including differences in skill, viewpoints and experience as well as gender, race and nationality.

The Nominating and Corporate Governance Committee will also consider timely written suggestions from our shareholders. Shareholders wishing to suggest a candidate for director nomination for the 2013 Annual Meeting should mail their suggestions to On Assignment, Inc., 26745 Malibu Hills Road, Calabasas, California 91301, Attn: Secretary. Pursuant to our Bylaws, suggestions must be received by the Secretary of On Assignment not less than thirty days or more than sixty days prior to the 2013 Annual Meeting. The manner in which director nominee candidates suggested in accordance with this policy are evaluated shall not differ from the manner in which candidates recommended by other sources are evaluated. There were no director candidates put forward by shareholders for consideration at the 2012 Annual Meeting.

The Nominating and Corporate Governance Committee evaluates the Board's leadership structure and believes that separation of the CEO and Chairman of the Board positions is in the best interest of the Company, assures an adequate level of independence of the Board and is best aligned with the interests of its shareholders.

The written charters governing the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee are posted on the Investor Relations-Corporate Governance page of our website at <http://www.onassignment.com>. You may also obtain a copy of any of these documents without charge by writing to: On Assignment, Inc., 26745 Malibu Hills Road, Calabasas, California 91301, Attn: Secretary.

Stock Option Committee. The Stock Option Committee consists of one director, Mr. Dameris. The Stock Option Committee acted by written consent on 51 occasions during 2011. The Stock Option Committee has been delegated limited authority by our Board to grant stock options to eligible individuals who are not executive officers or directors within pre-approved limits.

Risk Oversight. The Board has an active role, as a whole and at the committee level, in overseeing management of the Company's risks. Company representatives regularly report to the Board on risks that the Company faces. The Board regularly reviews and determines the Company's risk management philosophies, policies and processes. The Board is primarily responsible for overseeing the management of the Company's risks associated with the Board's governance and delegation decisions, including decisions about compensation. The Board oversees officers' identification and management of risk management issues and regularly meets with such officers regarding risk management issues of the Company and the processes and procedures used for identifying and managing risk. In addition, the Board also regularly reviews the reporting processes from those officers that are responsible for the day-to-day management of the Company's risks to determine if these reporting processes or other flow of information to the Board could be improved.

The Audit Committee is primarily responsible for overseeing the management of the Company's accounting and financial reporting matters and risks related to the Company's accounting and financial practices. The Audit Committee charter provides that the Audit Committee's responsibilities include inquiring of management and the Company's outside auditors regarding key financial statement risk areas, including the Company's processes for identifying and assessing such risk areas and the steps the Company has taken with regard to such risk areas. In connection with these responsibilities, the Audit Committee routinely reviews and evaluates the Company's processes for identifying and assessing key financial statement risk areas and for formulating and implementing steps to address such risk areas. The Audit Committee is also responsible for inquiring of management and the Company's outside auditors regarding significant business risks or exposures, including the Company's processes for identifying and assessing such risks and exposures and the steps management has taken to minimize such risks and exposures.

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The Compensation Committee is responsible for overseeing risks associated with compensation practices. Upon evaluation, the Compensation Committee has determined that the Company's compensation practices and policies are not reasonably likely to have a material adverse effect on the Company. In making this determination, the Compensation Committee considered that none of the compensation policies and practices at a business unit carry a significant portion of the Company's risk profile, has a significantly different compensation structure than other units, is significantly more profitable than other units, or pays compensation expenses as a significant percentage of the unit's revenues.

Meetings. Each current director attended 100% of the meetings of the Board and Committees of the Board on which he served during 2011. Our independent directors regularly meet as a group in executive sessions outside of the presence of management.

Attendance of Directors at 2011 Annual Meeting of Shareholders. On Assignment has not adopted a formal policy with respect to director attendance at the annual meetings of the shareholders and our Bylaws allow the annual meetings to be conducted by the presiding officer of such meeting. Of the current directors who were serving on the Board on June 2, 2011, Mr. Dameris attended our 2011 Annual Meeting of Shareholders.

Director Compensation

The following table shows compensation information for each of On Assignment's non-employee directors for the year ended December 31, 2011. The compensation of our President and Chief Executive Officer, who is also a director, is disclosed in the "Summary Compensation Table"; he receives no additional compensation for his service as a director.

Fiscal Year 2011 Director Compensation

Name	Fees Earned or Paid in Cash \$(1)	Stock Awards \$(2)	Total (\$)
Jeremy M. Jones	64,000	59,998	123,998
Jonathan S. Holman	54,000	59,998	113,998
William E. Brock	51,750	59,998	111,748
Edward L. Pierce	56,750	59,998	116,748

(1) This amount includes the quarterly retainer fees and fees for meeting attendance which each non-employee director earned for his service during 2011.

(2) The amounts set forth in the Stock Awards column represent the value of the award to each non-employee director of 6,818 restricted stock units ("RSUs") as computed in accordance with FASB ASC Topic 718. The amounts were calculated based on the grant date fair value per share of \$8.80, which was the closing sale price of Common Stock on the date of grant, August 9, 2011. Assumptions used in the calculation of these amounts with respect to stock-based awards are included in Note 10 to the consolidated financial statements for the year ended December 31, 2011 included in our Annual Report on Form 10-K filed March 14, 2012 and are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" under "Critical Accounting Policies-Stock-Based Compensation" in the Form 10-K.

The Compensation Committee reviews and approves the form and amount of director compensation. The current practice of the Compensation Committee is to base a substantial portion of a director's annual retainer on equity compensation. Accordingly, for 2011 service, each non-employee director received an annual RSU grant with a

grant-date value of \$60,000, subject to Board approval of the grant. These grants were made on August 9, 2011 to Senator Brock, Mr. Holman, Mr. Pierce and Mr. Jones in the amount of 6,818 RSUs each, of which 50% vested immediately upon issuance and the remaining 50% will vest on August 9, 2012, subject to the director's continued service as of that date. The grant-date fair value of these awards was \$8.80 per share.

Each non-officer director receives \$2,000 for each regularly scheduled quarterly Board meeting attended, \$750 for each special telephonic Board meeting attended, \$1,000 for each committee meeting, if held separately and attended in person, or \$750 if attended by telephone. In addition, we reimburse all non-officer directors for their reasonable expenses incurred in attending Board or committee meetings.

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During 2011, each of the non-employee directors received a \$30,000 annual cash retainer fee, in addition to which committee chairs were entitled to the following chair fees. All cash retainer fees are paid quarterly in arrears.

Outside Director	Additional Retainer
Chairman of the Board	Additional Cash Retainer for Chairman of Board: \$20,000/ yr
Audit Committee Chair	Additional Cash Retainer for Audit Committee Chair: \$15,000/ yr
Compensation Committee Chair	Additional Cash Retainer for Compensation Committee Chair: \$10,000/ yr
Nominating and Corporate Governance Committee Chair	Additional Cash Retainer for Nom. & Corp. Governance Chair: \$10,000/ yr

Communicating with the Board

We invite shareholders and other interested parties to communicate any concerns they may have about On Assignment directly and confidentially with either the Chairman of the Board or the non-management directors as a group by writing to the attention of either the Chairman of the Board or the non-management Directors at On Assignment, Inc., 26745 Malibu Hills Road, Calabasas, California 91301. Any such communication will be forwarded, unopened, to Mr. Jeremy Jones, Chairman of the Board.

Ethics

On Assignment has adopted a Code of Business Conduct and Ethics that is applicable to all directors, officers and employees of On Assignment. It complies with the requirements of Section 406 of the Sarbanes-Oxley Act of 2002. More importantly, it reflects On Assignment’s policy for dealing with all persons, including its customers, employees, investors, regulators and vendors, with honesty and integrity. A copy of On Assignment’s Code of Business Conduct and Ethics can be found on the Investor Relations-Corporate Governance page of our website at <http://www.onassignment.com>. You may also obtain a copy of any of this document without charge by writing to: On Assignment, Inc., 26745 Malibu Hills Road, Calabasas, California 91301, Attn: Secretary.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2011 the Compensation Committee of the Board was composed of Senator Brock, Mr. Jones and Mr. Holman. There are no Compensation Committee interlocks and no member of the Compensation Committee was or has been an officer or employee of On Assignment or its subsidiaries and no member of the Compensation Committee had any relationships requiring disclosure of certain relationships and related-party transactions. None of the Company’s executives served as a member of the Compensation Committee.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth the beneficial ownership by the persons listed below of shares of On Assignment's common stock as of March 31, 2012 and after giving effect to the merger.

Certain information in the table concerning shareholders other than our directors and officers is based on information contained in filings made by such beneficial owner with the Securities and Exchange Commission. Pursuant to Rule 13d 3 of the Securities Exchange Act of 1934, as amended, among other determining factors, shares are deemed to be beneficially owned by a person if that person has the right to acquire shares (for example, upon exercise of an option) within 60 days of the date that information is provided. In addition, we note that Section 16(a) of the Exchange Act requires the Company's officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file reports of securities ownership and changes in such ownership with the SEC. In determining the percentage ownership of any person, the amount of shares outstanding is deemed to include any shares beneficially owned by such person (and only such person) by reason of the acquisition rights described above, but excludes any securities held by or for the account of the Company or its subsidiaries. As a result, the percentage of outstanding shares held by any person in the table below does not necessarily reflect the person's actual voting power. As of March 31, 2012, there were 37,575,777 shares of On Assignment common stock outstanding.

Ownership of On Assignment before the Merger

The following table sets forth the beneficial ownership of On Assignment's common stock as of March 31, 2012 for the following persons:

- all shareholders known by us to beneficially own more than 5% of our common stock;
- each of our directors;
- each of our named executive officers, as identified; and
- of our directors and named executive officers as a group.

The address of each person listed is in care of On Assignment, 26745 Malibu Hills Road, Calabasas, California 91301, unless otherwise set forth below such person's name. In addition, unless otherwise indicated, each person listed has sole voting power and sole investment power.

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Name	Shares Beneficially Owned		
	Shares of Common Stock(1)	Right to Acquire within 60 days of March 31, 2012(2)	Percent of Outstanding Shares
BlackRock, Inc. (3) 40 East 52nd Street New York, NY 10022	3,783,636		10.1
T. Rowe Price Associates, Inc. (4) 100 E. Pratt Street Baltimore, MD 21202	3,148,580		8.4
TimesSquare Capital Management, LLC (5) 1177 Avenue of the Americas – 39th Floor New York, NY 10036	3,115,566		8.3
Wells Fargo & Co. (6) 420 Montgomery Street San Francisco, CA 94104	2,099,432		5.6
The Vanguard Group (7) 100 Vanguard Blvd. Malvern, PA 19355	1,978,108		5.3
Dimensional Fund Advisors LP (8) 6300 Bee Cave Road Austin, TX 78746	1,888,309		5.0
William E. Brock**	39,711	(9) 9,000	*
Jonathan S. Holman**	33,632	(9) 4,500	*
Jeremy M. Jones**	107,197	(10) 9,000	*
Edward L. Pierce**	37,810	(9) 18,000	*
Peter T. Dameris**	548,087	(11) 579,304	3.0
James L. Brill**	186,023	(12) 100,024	*
Emmett B. McGrath**	88,456	(13) 105,000	*
Michael J. McGowan**	279,560	(14) 120,000	1.1
Mark S. Brouse**	48,920	(15) 30,000	*
All directors and executive officers as a group (11 persons)	1,389,023	1,008,165	6.4

* Represents less than 1% of the shares outstanding.

** Directors' and officers' shares as of March 31, 2012.

(1) Includes shares for which the named person has sole voting and investment power and/or has shared voting and investment power with a spouse or minor child. Excludes shares that may be acquired through exercise of stock options, warrants and vesting of restricted stock units.

(2) Includes shares that can be acquired upon the exercise of stock options which vested prior to or on March 31, 2012, but remain unexercised, as well as stock options which vest within 60 days after March 31, 2012 and restricted stock units that vest within 60 days after March 31, 2012.

- (3) Pursuant to a Schedule 13G/A filed with the Securities and Exchange Commission on March 12, 2012. The reporting person has sole voting power for 3,783,636 and sole dispositive power for 3,783,636 shares.
- (4) Pursuant to a Schedule 13G/A filed with the Securities and Exchange Commission on February 9, 2012. The reporting person has sole voting power for 996,430 and sole dispositive power for 3,148,580 shares.
- (5) Pursuant to a Schedule 13G/A filed with the Securities and Exchange Commission on February 8, 2012. The reporting person has sole voting power for 2,830,166 shares and sole dispositive power for 3,115,566 shares.
- (6) Pursuant to a Schedule 13G/A filed with the Securities and Exchange Commission on January 25, 2012. The reporting person has sole voting power for 1,878,472 shares and sole dispositive power for 2,099,260.
- (7) Pursuant to a Schedule 13G filed with the Securities and Exchange Commission on February 8, 2012. The reporting person has sole voting power for 49,113 shares and sole dispositive power for 1,928,995 shares.
- (8) Pursuant to a Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2012. The reporting person has sole voting power for 1,806,646 shares and sole dispositive power for 1,888,309 shares.

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- (9)The total number of shares beneficially owned does not include 3,409 unvested restricted stock units which were reported in a Form 4 at or around the time of the grant. Named person has sole voting and investment power over all shares.
- (10)Includes 51,750 shares held by the Jones Family Trust for which Mr. Jones has sole voting and investment power. The total number of shares beneficially owned does not include 3,409 unvested restricted stock units which were reported in a Form 4 at or around the time of grant.
- (11)Includes 386,935 shares held in a trust for which Mr. Dameris has sole voting and investment power. Mr. Dameris also has sole voting and investment power for the remaining shares. The total number of shares beneficially owned includes 132,741 restricted stock units that would vest and to which Mr. Dameris would be entitled to if he had been terminated by the Company without cause on March 31, 2012.
- (12)Mr. Brill and his wife share voting and investment power for all shares. The total number of shares beneficially owned does not include 56,528 unvested restricted stock units which were reported in Form 4s filed at or around the time of the grants.
- (13)Mr. McGrath has sole voting and investment power for all shares. The total number of shares beneficially owned does not include 32,118 unvested restricted stock units which were reported in Form 4s filed at or around the time of the grants.
- (14)Includes 5,000 shares held by Mr. McGowan in a trust for which Mr. McGowan has sole voting and investment power. The total number of shares beneficially owned does not include 56,528 unvested restricted stock units which were reported in Form 4s filed at or around the time of the grants.
- (15)Mr. Brouse has sole voting and investment power for all shares. The total number of shares beneficially owned does not include 11,114 unvested restricted stock units which were reported in Form 4s filed at or around the time of the grants.

Pro Forma Ownership of On Assignment after the Merger

The following table provides an illustration, after giving pro forma effect to the merger, of the amount of common stock that we expect will be beneficially owned immediately following the effective time of the merger by the following persons:

- all shareholders that we expect to beneficially own more than 5% of our common stock;
- each of our directors (including the two directors and the non-executive observer appointed by the Shareholder Representative who will join the Board upon the completion of the merger);
- each of our named executive officers, as identified; and
- all of our directors (including the two directors and the non-executive observer appointed by the Shareholder Representative who will join the Board upon the completion of the merger) and named executive officers as a group.

The table below assumes the following:

- that merger resulted in the issuance of the minimum number of On Assignment common stock of at least 14,304,548 shares;

- that number of outstanding shares of On Assignment common stock at the effective time of the merger was substantially the same as the number of shares outstanding on March 31, 2012; and
- that shares and securities convertible into shares of On Assignment common stock held by the people and entities below at the effective time of the merger was substantially the same as the holdings of these people and entities on March 31, 2012, except for shares issued and conversions of convertible securities pursuant to the merger.

The address of each person listed is in care of On Assignment, 26745 Malibu Hills Road, Calabasas, California 91301, unless otherwise set forth below such person's name. In addition, unless otherwise indicated, each person listed has sole voting power and sole investment power.

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Name	Shares Beneficially Owned		
	Shares of Common Stock(1)	Right to Acquire within 60 days of March 31, 2012(2)	Percent of Outstanding Shares
Jeffrey E. Veatch*** 4400 Cox Road, Suite 200 Glen Allen, VA	3,797,432		7.3
BlackRock, Inc. (4) 40 East 52nd Street New York, NY 10022	3,783,636		7.3
T. Rowe Price Associates, Inc. (5) 100 E. Pratt Street Baltimore, MD 21202	3,148,580		6.1
TimesSquare Capital Management, LLC (6) 1177 Avenue of the Americas – 39th Floor New York, NY 10036	3,115,566		6.0
William E. Brock**	39,711	(10) 9,000	*
Jonathan S. Holman**	33,632	(10) 4,500	*
Jeremy M. Jones**	107,197	(11) 9,000	*
Edward L. Pierce**	37,810	(10) 18,000	*
Peter T. Dameris**	548,087	(12) 579,304	2.2
James L. Brill**	186,023	(13) 100,024	*
Emmett B. McGrath**	88,456	(14) 105,000	*
Michael J. McGowan**	279,560	(15) 120,000	*
Mark S. Brouse**	48,920	(16) 30,000	*
Brian J. Callaghan***	3,797,432	(3)	7.3
Edwin A. Sheridan, IV***	3,797,432	(3)	7.3
All directors and executive officers as a group (13 persons)	8,983,887	1,008,165	19.3

* Represents less than 1% of the shares outstanding.

** Directors' and officers' shares as of March 31, 2012.

***Represents the number of shares to be issued upon the closing of the merger. The Shareholder Representative has appointed two directors, Brian J. Callaghan and Edwin A. Sheridan, IV, and a non-executive observer, Jeffrey E. Veatch, to join the Board upon the completion of the merger.

(1)Includes shares for which the named person has sole voting and investment power and/or has shared voting and investment power with a spouse or minor child. Excludes shares that may be acquired through exercise of stock options, warrants and vesting of restricted stock units.

(2)Includes shares that can be acquired upon the exercise of stock options which vested prior to or on March 31, 2012, but remain unexercised, as well as stock options which vest within 60 days after March 31, 2012 and restricted stock units that vest within 60 days after March 31, 2012.

- (3) The pro forma shares were calculated based on Apex Systems' estimated capitalization immediately prior to the closing of the merger and using the minimum number of shares to be issued in accordance with the fixed price collar.
- (4) Pursuant to a Schedule 13G/A filed with the Securities and Exchange Commission on March 12, 2012. The reporting person has sole voting power for 3,783,636 and sole dispositive power for 3,783,636 shares.
- (5) Pursuant to a Schedule 13G/A filed with the Securities and Exchange Commission on February 9, 2012. The reporting person has sole voting power for 996,430 and sole dispositive power for 3,148,580 shares.
- (6) Pursuant to a Schedule 13G/A filed with the Securities and Exchange Commission on February 8, 2012. The reporting person has sole voting power for 2,830,166 shares and sole dispositive power for 3,115,566 shares.
- (7) Pursuant to a Schedule 13G/A filed with the Securities and Exchange Commission on January 25, 2012. The reporting person has sole voting power for 1,878,472 shares and sole dispositive power for 2,099,260.

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- (8) Pursuant to a Schedule 13G filed with the Securities and Exchange Commission on February 8, 2012. The reporting person has sole voting power for 49,113 shares and sole dispositive power for 1,928,995 shares.
- (9) Pursuant to a Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2012. The reporting person has sole voting power for 1,806,646 shares and sole dispositive power for 1,888,309 shares.
- (10) The total number of shares beneficially owned does not include 3,409 unvested restricted stock units which were reported in a Form 4 at or around the time of the grant. Named person has sole voting and investment power over all shares.
- (11) Includes 51,750 shares held by the Jones Family Trust for which Mr. Jones has sole voting and investment power. The total number of shares beneficially owned does not include 3,409 unvested restricted stock units which were reported in a Form 4 at or around the time of grant.
- (12) Includes 386,935 shares held in a trust for which Mr. Dameris has sole voting and investment power. Mr. Dameris also has sole voting and investment power for the remaining shares. The total number of shares beneficially owned includes 132,741 restricted stock units that would vest and to which Mr. Dameris would be entitled to if he had been terminated by the Company without cause on March 31, 2012.
- (13) Mr. Brill and his wife share voting and investment power for all shares. The total number of shares beneficially owned does not include 56,528 unvested restricted stock units which were reported in Form 4s filed at or around the time of the grants.
- (14) Mr. McGrath has sole voting and investment power for all shares. The total number of shares beneficially owned does not include 32,118 unvested restricted stock units which were reported in Form 4s filed at or around the time of the grants.
- (15) Includes 5,000 shares held by Mr. McGowan in a trust for which Mr. McGowan has sole voting and investment power. The total number of shares beneficially owned does not include 56,528 unvested restricted stock units which were reported in Form 4s filed at or around the time of the grants.
- (16) Mr. Brouse has sole voting and investment power for all shares. The total number of shares beneficially owned does not include 11,114 unvested restricted stock units which were reported in Form 4s filed at or around the time of the grants.

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EXECUTIVE AND DIRECTOR COMPENSATION

Compensation Discussion and Analysis

This section explains On Assignment's compensation philosophy and compensation program as it relates to the following named executive officers (hereinafter referred to as executive officers or executives) whose compensation is disclosed pursuant SEC rules:

Peter T. Dameris	President and Chief Executive Officer
James L. Brill	Senior Vice President and Chief Financial Officer
Michael McGowan	President, Oxford Global Resources
Emmett McGrath	President, Allied Healthcare and Life Sciences
Mark Brouse	President, VISTA Staffing Solutions

Mr. Brouse's employment with the Company as President of VISTA was terminated on January 4, 2012. On August 1, 2011, Mr. Brouse and On Assignment entered into a Second Amended and Restated Employment Agreement, effective on January 4, 2012, under which Mr. Brouse currently serves as a Special Advisor to the Chief Executive Officer of On Assignment.

Executive Summary

Our executive compensation program is designed to provide a total compensation package intended to attract and retain high-caliber executive officers and employees, and also to incentivize employee contributions that are consistent with our corporate objectives and shareholder interests. It is our policy to provide a competitive total compensation package and share our success with our named executive officers, as well as our other employees, when our objectives are met.

The following table sets forth the key elements of our named executive officers' compensation, along with the primary objective associated with each element of compensation.

Compensation Element	Primary Objective
Base salary	To provide stable income as compensation for ongoing performance of job responsibilities.
Annual performance-based cash compensation (bonuses)	To incentivize short-term corporate objectives and individual contributions to the achievement of those objectives.
Long-term equity incentive compensation	To incentivize long-term performance objectives, align the interests of our named executive officers with shareholder interests, encourage the maximization of shareholder value and retain key executives.
Severance and change in control benefits	To encourage the continued attention and dedication of our named executive officers and provide reasonable

	individual security to enable our named executive officers to focus on our best interests, particularly when considering strategic alternatives.
Deferred compensation	To permit savings in a tax-efficient manner in excess of limits imposed under our 401(k) plan.
Retirement savings (401(k)) plan	To provide retirement savings in a tax-efficient manner.
Health and welfare benefits	To provide standard protection with regard to health, dental, life and disability risks as part of a market-competitive compensation package.

To serve the foregoing objectives, our overall compensation program is generally designed to be flexible and complementary rather than purely formulaic. In alignment with the objectives set forth above, the Compensation Committee has generally determined the overall compensation of our named executive officers and its allocation among the elements described above, relying on the analyses and advice provided by its compensation consultant as well as input from our management team.

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Our compensation decisions for the named executive officers in 2011, including each of the key elements of our executive compensation program, are discussed in more detail below. This discussion is intended to be read in conjunction with the executive compensation tables and related disclosures.

Compensation Philosophy

The Company seeks to attract, motivate and retain key talent needed to enable On Assignment to operate successfully in a competitive environment. The Company's fundamental policy is to offer On Assignment's named executive officers competitive and fair compensation opportunities based upon their relevant experience, their individual performance and the overall financial performance of On Assignment in a way that is aligned with the long-term interests of the Company's shareholders.

The Compensation Committee oversees the executive compensation program and determines compensation for the Company's executive officers. The Compensation Committee recognizes that, from time to time, it is appropriate to enter into compensatory agreements with key executives, and has done so with each of its executive officers. Through these agreements, On Assignment seeks to further motivate such individuals or retain their services as well as to secure confidentiality and nonsolicitation obligations from such executives, applicable both during and after their employment. These agreements with executive officers include executive employment agreements and severance arrangements.

In exercising discretion to determine compensation, the Compensation Committee carefully considers the experience, responsibilities and performance of each executive officer and the Company's overall financial performance. At the Compensation Committee's request, Mr. Dameris reviews with the Compensation Committee the performance of the other executive officers. The Compensation Committee considers the compensation, to the extent accessible, of executive officers of competitor companies. The Compensation Committee works closely with the Chief Executive Officer in setting compensation for the executive officers, giving weight to Mr. Dameris' evaluation of the other executive officers because of his direct knowledge of their performance. The Company believes that the compensation program for the executive officers is instrumental in the Company's performance.

In determining appropriate compensation for our executives, On Assignment considers numerous factors including, but not limited to: rewarding results which are beneficial for the shareholders, competitive compensation, balancing cash and equity payments, recognizing external effects on our business (i.e. the economy), retention of executives and key employees, skills of the executive officers, the Company's business and growth strategy and the overall reasonableness of compensation. The Compensation Committee strives to achieve a balance between cash and equity compensation as well as long-term and short-term incentive compensation which align with our shareholders' interests, but does not rely on a formal policy or formula for making allocations allocation between these elements. Instead, the Compensation Committee balances various goals, longer-term performance objectives and vesting conditions based on its subjective assessment derived from its collective experience. The Company limits the size of compensation that is not linked to performance metrics and instead emphasizes compensation that rewards good performance.

A fundamental objective of the Compensation Committee is to make a substantial portion of each executive officer's compensation contingent upon On Assignment's performance as well as upon his own individual level of performance such that each executive officer is compensated for results. The Compensation Committee may further this objective through an annual performance-based incentive compensation program using multi-year, long-term incentive awards subject to achievement of specified goals tied to business criteria, including periodic equity grants with performance-based vesting components. The Compensation Committee strives to align the remuneration potential for the executive officers with shareholder interests through the use of equity awards. The mechanics and attainment criteria for annual incentive awards and long-term incentive awards are discussed in greater detail below.

Generally, as an executive officer's level of responsibility increases, the Compensation Committee links a greater portion of the executive's total compensation to the performance of the Company or division over which the executive has responsibility (if appropriate), quantified by measurements such as revenue, profitability, earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA (which, for the purposes of incentive compensation targets, is earnings before interest, taxes, depreciation and amortization but excluding gains losses or expenses associated with unusual items) and branch contribution (which, for the purposes of incentive compensation targets, is revenue less cost of sales and less branch expenses). The Compensation Committee has determined that unusual items include restructurings, force majeure, litigation, judgments and settlements, changes in tax laws or accounting principles, severance, equity based compensation expense, one-time gains or losses from disposal or sale of assets and impairment of goodwill or other identifiable intangible assets), gross profit, branch contribution, rather than solely upon the executive's salary. The Compensation Committee believes this structure is appropriate because as the executive's level of responsibility increases, the impact of his efforts and business judgment upon the performance of the Company and the Company's stock price also increases. To that end, our executive officers receive annual cash incentive compensation opportunities with attainment targets set each year by the Compensation Committee, based on percentages of their annual salary depending upon the scope of the executive's responsibilities. Additionally, our executive officers receive RSU equity grants, the size of which increase as the executive's level of responsibility and impact on overall Company performance increases. The value of the equity grants are tied to the value of On Assignment's common stock, with vesting schedules that are based on the passage of time and upon the attainment of performance-based goals established by the Compensation Committee.

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The Compensation Committee believes the use of both annual and long-term incentive awards encourages the executive officers to balance and manage short-term returns against long-term Company goals and investments in future opportunities. Annual incentive awards are generally cash awards intended to reward the executive for achieving growth on one or more designated business unit level or consolidated performance metrics. Multi-year, long-term incentive awards are typically equity awards, with vesting triggered by the passage of time and/or by the attainment of designated levels of Company financial performance. The Compensation Committee may specify the amount of the incentive award as a percentage of the executive's annual salary or as another amount that need not bear a strictly mathematical relationship to the performance goals. The Compensation Committee may, in its discretion, reduce the amount of certain awards otherwise payable in connection with an incentive program if the Compensation Committee determines that the assumptions applied when setting the goals ultimately proved invalid, unanticipated factors not tied to executive performance resulted in the executive's attainment of the targets, or the Compensation Committee determines that other considerations dictate that the award should be reduced. Awards to individuals who are covered under Code Section 162(m) (discussed below) or who the Compensation Committee believes may be covered in the future, may be structured by the Compensation Committee, in its discretion, to constitute "qualified performance-based compensation" under Code Section 162(m) in order to preserve the deductibility of the awards.

The key factors considered in establishing the components of each executive officer's compensation package for 2011 are summarized below.

Say-on-Pay

We provide our shareholders with the opportunity to cast an annual advisory vote on the compensation of our named executive officers (a "say-on-pay proposal"). At our annual shareholder's meeting held on June 2, 2011, a majority of the votes cast on the say-on-pay proposal at that meeting were voted in favor of the proposal. The Compensation Committee believes this affirms our shareholders' support of the compensation program, objectives and policies for our named executive officers, and did not change the approach in 2011 in connection with the vote on our 2011 say-on-pay proposal. The Compensation Committee will continue to consider the outcome of the Company's say-on-pay proposals when making future compensation decisions for our named executive officers.

Compensation Program Elements

The key elements of executive compensation are:

base salary

performance-based cash incentive compensation

long-term equity-based incentive awards, which include time vesting and performance-based vesting grants

fringe benefits and participation in Company-sponsored employee benefit plans

The discussion that follows summarizes key features and the purpose of the elements of the 2011 executive compensation program for the Company.

Base Salary

One component of our compensation package is an annual salary commensurate with each executive officer's experience, scope of responsibility, skill in executing those responsibilities and overall value to the organization. The Company considers the following factors in determining base salary for each executive officer:

- individual performance as measured by the success of the executive officer's business division or area of responsibility
 - competitiveness with salary levels of similarly sized companies evaluated through informal salary surveys, internal compensation parity standards and On Assignment's ability to pay an appropriate and competitive salary
 - the range of the Company's other executive officer salaries and annual salary increases awarded to the Company's other employees and executive officers
 - the performance of the Company and the overall economic climate
 - whether the base salary equitably compensates the executive for the competent execution of his duties and responsibilities
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- the executive officer's past performance with the Company
- the executive officer's experience
- the anticipated impact of the executive officer's business division or area of responsibility

The amount and timing of any increase in base compensation depends upon, among other things, overall economic conditions, the performance of the Company and the executive officer's business unit (if applicable), the individual's performance, internal compensation parity and the time interval and any responsibilities assumed since the last salary increase. While the Compensation Committee allocates a competitive base salary for each executive, base salary is only a portion of the overall compensation program. Executive officers' performance, including over-achievement, is generally rewarded through incentive programs, rather than base salary.

In determining whether or not to apply a 2011 salary increase, the Compensation Committee considered that the Company was recovering from the economic downturn and also considered where compensation investment dollars are best spent. In addition, the Compensation Committee evaluated the overall value of each executive officer's compensation and equity, the performance of the Company and the division over which the executive has responsibility (if applicable), the percentage of executive compensation compared to the Company's overall expenses, the performance of the staffing industry during 2011, the Company's need to invest in new headcount and the overall economic climate. Based on this analysis, in 2011, each named executive officer agreed to not accept a salary increase and, accordingly, none of the executive officers received salary increases in 2011. Mr. Dameris' salary was \$635,250 in 2011; which amount was set as of August 2008. Mr. Dameris did not receive a salary increase in 2009, 2010 or 2011. The other executive officers continued with their 2010 salary amounts during 2011. Mr. Brill's annual base salary for 2011 was \$323,136. Mr. McGowan's base salary for 2011 was \$379,500. Mr. McGrath's 2011 annual salary was \$322,524 and Mr. Brouse's salary was \$271,440.

Annual Cash Incentive Compensation

Annual Cash Incentive Bonus

Executive officers are eligible for annual incentive compensation payable in cash and tied to achievement of performance goals, which typically include components related to revenues and profitability, either at the divisional or corporate levels, or a combination, depending upon the executive's area of responsibility. By focusing on revenues and profitability measures, the Compensation Committee attempts to relate annual cash incentive compensation to performance measures that demonstrate appropriate growth and contribute to overall shareholder value. Within the first 90 days of each fiscal year, the Compensation Committee establishes performance targets and corresponding incentive compensation, which is typically calculated as a percentage of the individual's base salary, with higher level executives eligible for higher percentages. Currently these percentages range from 75% of annual salary to 120% of annual salary, assigned according to the rank and the scope of responsibilities of the executive and provisions in the executive employment agreements. For most of our officers, half or more of each annual compensation package is attached to attainment of the respective incentive compensation program targets. The Compensation Committee feels this arrangement appropriately links the executives' remuneration to the performance of the Company and the benefits derived by the shareholders. The targets are based on full year performance measures and are, therefore, determined at a time when attainment is substantially uncertain. In recent years, including 2011, this incentive bonus has consisted of two components: a "target bonus" for the achievement of set objectives the Compensation Committee established at the beginning of the year and an additional bonus based on extraordinary performance surpassing those objectives, paid incrementally up to a pre-set level. Structuring the annual incentive compensation in this manner upholds On Assignment's philosophy of paying for performance. The target bonus is designed to be achievable based upon highly competent management performance on the executive's part, assuming certain economic conditions and

other circumstances at the time the goal was established. The maximum additional target bonus is designed to be difficult to achieve under those circumstances and to reward truly exceptional performance.

In 2011, the Compensation Committee established the cash incentive compensation percentage based on provisions in each executive officer's employment agreement, historical cash incentive compensation amounts and the same general factors that the Compensation Committee considered for annual base salary. The targets are set by the Compensation Committee after consultation with the Chief Executive Officer and represent a percentage attainment of the amount forecasted by the Company or a division for the fiscal year as set forth in the 2011 Board-approved budget. In addition, the Compensation Committee considers specific factors relevant to the success of the Company and the success of each division for that year. In 2011, the Compensation Committee determined that growth and success in the areas of Adjusted EBITDA, gross profit, branch contribution and revenue would indicate growth and success for the Company. The Compensation Committee believes that the Company's success in these areas is in the best interest of our shareholders. As described under "Compensation Philosophy" above, Adjusted EBITDA for the purposes of incentive compensation targets is earnings before interest, taxes, depreciation and amortization but excluding gains losses or expenses associated with unusual items, and branch contribution, for the purposes of incentive compensation targets, is revenue less cost of sales and less branch expenses.

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For 2011, the cash incentive compensation component, and amount attained, for each executive officer is set forth below. The Compensation Committee may exercise negative discretion to reduce the amount of an award otherwise to be made in connection with certain incentive plans.

President and Chief Executive Officer and Chief Financial Officer. Mr. Dameris earned \$762,300 out of a maximum possible \$762,300 of his 2011 cash incentive bonus. Mr. Dameris' target cash incentive compensation remained at 120% of his base salary based on his employment agreement. Mr. Brill earned \$323,136 out of a maximum possible \$323,136 of his 2011 cash incentive bonus. Pursuant to his employment agreement and consistent with Mr. Brill's previous cash incentive bonus opportunities, the Compensation Committee determined that Mr. Brill was eligible for an annual cash incentive award of up to 100% of his annual base salary for 2011 performance. The targets are set by the Compensation Committee after consultation with Mr. Dameris and the amounts earned were determined as noted below.

Tier 1. For 2011, Mr. Dameris was eligible to earn a cash incentive bonus equal to 60% of his annual base salary and Mr. Brill was eligible to earn an annual cash incentive bonus equal to 50% of his annual base salary upon the Company's attainment of the following targets during 2011 described here as Tier 1 Target(s):

% of Tier 1 Target	Performance Target	Actual Performance	Dameris Incentive Opportunity	Dameris Incentive Amount Earned	Brill Incentive Opportunity	Brill Incentive Amount Earned
60%	Company achieves \$40,433,000 in Adjusted EBITDA	\$ 61,211,000	\$ 228,690	\$ 228,690	\$ 96,941	\$ 96,941
40%	Company achieves \$164,500,000 in consolidated gross profit	\$ 200,105,000	\$ 152,460	\$ 152,460	\$ 64,627	\$ 64,627

Tier 2. Mr. Dameris was eligible to earn an additional cash incentive bonus of up to 60% of his annual base salary and Mr. Brill was eligible to earn an additional cash incentive bonus of up to 50% of his annual base salary upon the Company's attainment of the following targets during 2011 described here as Tier 2 Targets:

% of Tier 2 Target	Performance Target	Actual Performance	Dameris Incentive Opportunity	Dameris Incentive Amount Earned	Brill Incentive Opportunity	Brill Incentive Amount Earned
70%	0 to 100% of bonus opportunity on a sliding scale based on Company achieving \$42,561,828 to \$44,562,000 in Adjusted EBITDA	\$ 61,211,000	\$ 266,805	\$ 266,805	\$ 113,098	\$ 113,098
30%	0 to 100% of bonus opportunity on a sliding scale based on Company achieving \$173,199,801 to \$181,860,000 in gross profit	\$ 200,105,000	\$ 114,345	\$ 114,345	\$ 48,470	\$ 48,470

Tier 1 + Tier 2 Total	\$ 762,300	\$ 762,300	\$ 323,136	\$ 323,136
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President, Oxford Global Resources. Mr. McGowan earned \$379,500 out of a maximum possible \$379,500 of his 2011 cash incentive bonus. Pursuant to his employment agreement, Mr. McGowan is eligible for an annual cash incentive award of up to 100% of his annual base salary based on achievement and over-achievement of performance metrics. The amount of cash incentive bonus that Mr. McGowan earned for 2011 performance was determined as noted below.

Tier 1. For 2011, Mr. McGowan was eligible to earn an annual incentive bonus up to 50% of his annual base salary contingent upon Oxford and/or the Company's attainment of the following targets during 2011 described here as Tier 1 Target(s):

% of Tier 1 Target	Performance Target	Actual Performance	Incentive Opportunity	Incentive Amount Earned
18%	Company achieves Adjusted EBITDA of \$40,433,000	\$ 61,211,000	\$ 34,155	\$ 34,155
12%	Company achieves gross profit of \$164,500,000	\$ 200,105,000	\$ 22,770	\$ 22,770
42%	Oxford achieves Adjusted EBITDA of \$25,306,452	\$ 37,157,000	\$ 79,695	\$ 79,695
28%	Oxford achieves gross profit of \$77,845,000	\$ 94,967,000	\$ 53,130	\$ 53,130

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Tier 2. Mr. McGowan was eligible to earn an annual incentive bonus up to 50% of his annual base salary contingent upon Oxford and/or the Company's attainment of the following targets during 2011 described here as Tier 2 Target(s):

% of Tier 2 Target	Performance Target	Actual Performance	Incentive Opportunity	Incentive Amount Earned
21%	0 to 100% of bonus opportunity on a sliding scale based on achieving \$42,561,828 to \$44,562,000 of Adjusted EBITDA	\$ 61,211,000	\$ 39,847	\$ 39,847
9%	0 to 100% of bonus opportunity on a sliding scale based on Company achieving \$173,199,801 to \$181,860,000 in gross profit	\$ 200,105,000	\$ 17,078	\$ 17,078
49%	0 to 100% of bonus opportunity on a sliding scale based on Oxford achieving \$25,306,452 to \$27,396,278 in Adjusted EBITDA	\$ 37,157,000	\$ 92,978	\$ 92,978
21%	0 to 100% of bonus opportunity on a sliding scale based on Oxford achieving \$77,845,000 to \$84,207,338 in gross profit	\$ 94,967,000	\$ 39,847	\$ 39,847
Tier 1 + Tier 2 Total			\$ 379,500	\$ 379,500

President, Life Sciences and Allied Healthcare. Mr. McGrath earned a total of \$96,757 out of a maximum possible \$322,524 of his 2011 cash incentive bonus. Pursuant to his employment agreement, Mr. McGrath was eligible to earn an annual cash incentive award of up to 100% of his annual base salary based on achievement and over-achievement of performance metrics. The amount of cash incentive bonus that Mr. McGrath earned for 2011 performance was determined as noted below.

Tier 1. For 2011, Mr. McGrath was eligible to earn an annual incentive bonus up to 50% of his annual base salary contingent upon Life Sciences, Allied Healthcare and/or the Company attaining the following targets in 2011 described here as Tier 1 Target(s):

% of Tier 1 Target	Performance Target	Actual Performance	Incentive Opportunity	Incentive Amount Earned
18%	Company achieves \$40,433,000 in Adjusted EBITDA	\$ 61,211,000	\$ 29,027	\$ 29,027
12%	Company achieves \$164,500,000 in gross profit	\$ 200,105,000	\$ 19,351	\$ 19,351
27%	Life Sciences achieves \$26,946,673 in branch contribution	\$ 26,037,000	\$ 43,541	--
18%	Life Sciences achieves \$54,067,000 in gross profit	\$ 52,645,000	\$ 29,027	--

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15%	Allied Healthcare achieves \$4,032,272 in branch contribution	\$ 3,813,000	\$ 24,189	--
10%	Allied Healthcare achieves \$14,528,140 in branch contribution	\$ 14,360,000	\$ 16,126	--

Tier 2. For 2011, Mr. McGrath was eligible to earn an annual incentive bonus up to 50% of his annual base salary contingent upon Life Sciences, Allied Healthcare and/or the Company achieving the following targets in 2011 described here as Tier 2 Target(s):

% of Tier 2 Target	Performance Target	Actual Performance	Incentive Opportunity	Incentive amount Earned
21%	0 to 100% of bonus opportunity on a sliding scale based on Company achieving \$42,561,828 to \$44,562,000 of in Adjusted EBITDA	\$ 61,211,000	\$ 33,865	\$ 33,865
9%	0 to 100% of bonus opportunity on a sliding scale based on Company achieving \$173,199,801 to \$181,860,000 in gross profit	\$ 200,105,000	\$ 14,514	\$ 14,514
32%	0 to 100% of bonus opportunity on a sliding scale based on Life Sciences achieving \$26,946,673 to \$28,293,000 in branch contribution	\$ 26,037,000	\$ 50,798	--
14%	0 to 100% of bonus opportunity on a sliding scale based on Life Sciences achieving \$54,067,000 to \$56,617,000 in gross profit	\$ 52,645,000	\$ 21,770	--
17.50%	0 to 100% of bonus opportunity on a sliding scale based on Allied Healthcare achieving \$4,032,272 to \$4,233,600 in branch contribution	\$ 3,813,000	\$ 28,221	--
7.50%	0 to 100% of bonus opportunity on a sliding scale based on Allied Healthcare achieving \$14,528,140 to \$15,254,000 in gross profit	\$ 14,360,000	\$ 12,095	--
Tier 1 + Tier 2 Total			\$ 322,524	\$ 96,757

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President, VISTA Staffing Solutions. Mr. Brouse earned a total of \$61,074 out of a possible \$203,580 for his 2011 cash incentive compensation. Pursuant to his employment agreement and consistent with Mr. Brouse's previous cash incentive bonus opportunities, the Compensation Committee determined that Mr. Brouse was eligible for an annual cash incentive award of up to 75% of his annual base salary for 2011 performance. The amounts earned by Mr. Brouse were determined as noted below.

Tier 1. For 2011, Mr. Brouse was eligible to earn an annual incentive bonus up to 37.5% of his annual base salary contingent upon VISTA Staffing Solutions and/or the Company attaining the following targets in 2011 described here as Tier 1 Target(s):

% of Tier 1 Target	Performance Target	Actual Performance	Incentive Opportunity	Incentive Amount Earned
18%	Consolidated Adjusted EBITDA of \$40,433,000 in 2011	\$ 61,211,000	\$ 18,322	\$ 18,322
12%	Consolidated gross profit of \$164,500,000 in 2011	\$ 200,105,000	\$ 12,215	\$ 12,215
35%	VISTA revenue of \$80,172,000 in 2011	\$ 69,422,206	\$ 35,627	--
17.5%	VISTA Adjusted EBITDA of \$8,469,981 in 2011	\$ 6,782,130	\$ 17,813	--
17.5%	VISTA gross profit of \$25,844,870 in 2011	\$ 23,129,942	\$ 17,813	--

Tier 2. For 2011, Mr. Brouse was eligible to earn an annual incentive bonus up to 37.5% of his annual base salary contingent upon VISTA Staffing Solutions and/or the Company attaining the following targets in 2011 described here as Tier 2 Target(s):

% of Tier 2 Target	Performance Target	Actual Performance	Incentive Opportunity	Incentive Amount Earned
21%	0 to 100% of bonus opportunity on a sliding scale based on the Company achieving \$42,561,828 to \$44,562,000 in Adjusted EBITDA (105% of Board Budget)	\$ 61,211,000	\$ 21,376	\$ 21,376
9%	0 to 100% of bonus opportunity on a sliding scale based on the Company achieving \$173,199,801 to \$181,860,000 in gross profit	\$ 200,105,000	\$ 9,161	\$ 9,161
21%	0 to 100% of bonus opportunity on a sliding scale based on VISTA achieving \$80,172,000 to \$84,191,000 in revenue	\$ 69,422,206	\$ 21,376	--
28%	0 to 100% of bonus opportunity on a sliding scale based on	\$ 6,782,130	\$ 28,501	--

	VISTA achieving \$8,469,000 to \$8,893,480 in adjusted EBITDA				
21%	0 to 100% of bonus opportunity on a sliding scale based on VISTA achieving \$25,844,870 to \$27,137,113 in gross profit	\$	23,129,942	\$	21,376
					--
	Tier 1 + Tier 2 Total			\$	203,580
				\$	61,074

Discretionary Bonuses

The Compensation Committee may also award additional discretionary incentive compensation, based on such factors as substantial over-achievement of performance targets for which the annual incentive compensation program otherwise provides no award, upon a change in the executive officer’s employment status or in recognition of an executive’s success in implementing change or otherwise attaining results that delivered value to the Company, but were not captured in the annual incentive program performance targets.

On December 7, 2011 the Compensation Committee approved payment of a one-time, discretionary bonus to Mr. McGowan in the amount of \$100,000 in recognition of the success of Oxford during 2011 under Mr. McGowan’s leadership. The Compensation Committee considered the performance of Oxford during 2011 including the EBITDA contribution to the Company and the organic growth of that division. In addition, on February 3, 2012 the Compensation Committee approved payment of a one-time, discretionary bonus to Mr. McGrath in the amount of \$25,000 in recognition of Mr. McGrath’s attainment of qualitative goals relating to the operations of the Life Sciences and Allied Healthcare divisions during 2011. The Compensation Committee specifically noted that, while Mr. McGrath did not attain the targets in his cash incentive compensation, the lines of business under Mr. McGrath’s leadership experienced success during 2011 measured by other performance criteria.

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Annual Equity Incentive Compensation

The Compensation Committee periodically approves grants of stock options, restricted stock and restricted stock units to On Assignment's executive officers. These grants are designed to balance the comparatively short-term goals of the annual cash incentive compensation targets with long-term stock price performance, to align the interests of each executive officer with those of the shareholders and to provide each individual with a significant incentive to manage their responsibilities from the perspective of an owner with an equity stake in the business. Option grants generally allow the executive officer to acquire shares of common stock over a specified period of time of up to ten years. Because our stock options are granted at fair market value, these grants provide a return to the executive officer only if the market price of the shares appreciates over the option term. RSU grants are generally made in exchange for nominal consideration only therefore these grants confer the full share value on their recipients and therefore continue to encourage the recipient to maximize the value of the Company's common stock, even where short-term stock price drops may render awards based solely on stock appreciation (such as options and stock appreciation rights) worthless.

The Company continues to rely primarily on long-term equity awards in the form of RSUs to ensure a strong connection between the executive compensation program and the long-term interests of the Company's shareholders. RSUs enable the Company to confer value in excess of simple future appreciation, providing a valuable incentive in a volatile market. Accordingly, the Company believes that RSUs are effective compensation element for attracting executives and promoting their long-term commitment to the Company. RSUs also serve as valuable retention incentives for the Company because RSUs vest only if the executive officer provides services to the Company until the vesting date. On Assignment believes that granting equity awards with long vesting periods creates a retention incentive and encourages the executive officers to focus on the Company's long-term business objectives and long-term stock price performance.

RSU grants may condition the vesting of some percentage of the award upon achievement of defined performance criteria within a specific timeframe. The Compensation Committee believes that conditioning some of the vesting of RSU awards (which confer full share value) on the attainment of performance objectives is appropriate. This type of award creates an incentive for the executive to attain the designated performance criteria, for vesting purposes, as well as to execute business plans that increase the overall fair market value of our common stock and align the executives' interests with the Company's shareholders. The Compensation Committee prefers RSUs because, unlike stock options, RSUs are not at risk of becoming "underwater" during the three year vesting period and thereby failing in their fundamental purpose of providing an incentive to the executives to remain employed with the Company and focus efforts on achieving the performance targets necessary for vesting.

The size of the RSU grant is set at a level that the Compensation Committee deems appropriate in order to create a meaningful opportunity for stock ownership based upon the executive's current position and ability to impact the stock price. The size of the award or grant is also generally linked to the executive officer's annual salary and incentive compensation opportunity. Equity awards or grants also take into account the scope and business impact of the executive's position, the individual's potential to assume future duties and responsibility on behalf of On Assignment over the vesting schedule and/or option term, the executive's individual performance in recent periods and the executive's current holdings of On Assignment stock and options received through previous equity grants as well as the per individual, per period award limits, quality of service to the Company, experience of the officer, the then-current fair market value of the Company's common stock, and the overall equity awarded to each executive officer. The Compensation Committee feels that taking all of these factors into consideration enhances our ability to provide meaningful and appropriate incentives.

Long-term equity incentive compensation, structured in a way that aligns compensation of the executive officers with interests of our shareholders, comprised a portion of the executive officers' total 2011 compensation. For Mr. Dameris, the Company's President and Chief Executive Officer, the Compensation Committee granted Mr. Dameris

equity awards in accordance with the terms of his employment agreement. Pursuant to his employment agreement, his 2011 equity awards have multi-year vesting schedules and/or vest based on the attainment of specified Adjusted EBITDA goals. The Compensation Committee believes that a multi-year vesting schedule encourages Mr. Dameris' continuation in service with the Company through those vesting dates. In addition, the Compensation Committee believes Mr. Dameris' RSU grants provide Mr. Dameris with incentive to focus on increasing the long-term value of the Company as measured by the Company's Adjusted EBITDA. The use of Adjusted EBITDA targets encourages Mr. Dameris to focus on producing financial results that align with the interests of the shareholders. In addition, one of Mr. Dameris' 2011 equity awards is based on the attainment of Adjusted EBITDA per share during the twelve month performance period, which encourages Mr. Dameris to strive for quality stock performance of the Company and benefits the interests of our shareholders.

The Compensation Committee similarly strives to align the remuneration potential for the other executive officers with shareholder interests through the use of RSU equity awards during 2011. Equity awards for Mr. Brill, Mr. McGowan, Mr. McGrath and Mr. Brouse include a multi-year time-vesting portion and a portion which vest based on Adjusted EBITDA performance targets set by the Company. Consistent with its overall compensation philosophy, the Compensation Committee believes that the time-vesting portion of the RSU grant rewards the executive officers for exercising business judgment that maximizes the trading price of the Company's common stock over a multi-year period. The Compensation Committee believes the performance-vesting portion of the RSU grant encourages the executives to strive for superior Adjusted EBITDA results which is a true measurement of the Company's success for the shareholders.

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For 2011, the long-term equity incentive compensation granted to each executive officer is set forth below.

President and Chief Executive Officer. Mr. Dameris was entitled to receive three equity incentive compensation opportunities in 2011 under his employment agreement.

In March 2011, pursuant to his employment agreement, Mr. Dameris was granted 58,754 RSUs which are eligible to vest as to 50%-100% of the award based on the Company's attainment of an EBITDA target over the 12 month period ending of January 1, 2012, with the earned portion of the award vesting and becoming payable in two equal components on January 1, 2012 and January 1, 2013, subject to continued employment. The Compensation Committee set the Adjusted EBITDA target as follows: Mr. Dameris will earn 50% of this award based on the Company achieving \$34,049,462 of Adjusted EBITDA in 2011 and he will earn up to 50% of this award, on a sliding scale, based on the Company achieving Adjusted EBITDA greater than \$34,049,462 to a maximum of \$42,561,828. The Company achieved \$61,211,000 in Adjusted EBITDA in 2011 so Mr. Dameris vested in all 58,754 restricted stock units.

In March 2011, pursuant to the 2010 Employment Agreement, Mr. Dameris was also granted a restricted stock unit award with a fair market value of approximately \$1,000,000 on the date of grant. Pursuant to the grant terms, Mr. Dameris is eligible to receive a linear pro ration of the grant based on percentage attainment of the target. The Compensation Committee set the target as the Company attaining Adjusted EBITDA per Share of \$1.15 during the twelve month performance period ending December 31, 2011. The Company achieved this target and Mr. Dameris vested in this award. The first award under this grant (equal to \$500,000) will be payable as soon as practicable after February 1, 2013 and the second award under this grant (equal to \$500,000) will be payable as soon as practicable after February 1, 2014.

Other Executive Officers. In 2011, the Company granted Mr. Brill, Mr. McGowan, Mr. McGrath and Mr. Brouse RSU awards which have a time-based vesting component and a performance-based vesting component.

Specifically, in 2011, Mr. Brill, Mr. McGowan, Mr. McGrath and Mr. Brouse received grants of 51,704, 51,704, 29,377 and 22,855 RSUs, respectively, sixty percent of which time vests in three equal, annual installments on January 3, 2012, January 3, 2013 and January 3, 2014, subject to continued employment. The remaining 40% of the award is performance-based, vesting in three equal, annual installments, on the first three anniversaries of the grant date as set forth above subject to attainment of performance targets established by the Compensation Committee for that year, subject to continued employment (the "Performance Vesting Grant"). The Compensation Committee established the following target for the 2011 Performance Vesting Grant for Mr. Brill, Mr. McGowan, Mr. McGrath and Mr. Brouse:

Fifty percent of the 2011 Performance Vesting Grant vests contingent upon the Company attaining Adjusted EBITDA of \$36,177,554 in 2011. An additional 50% of the grant vests incrementally to the extent that the Company achieves between \$36,177,554 to \$46,818,011 in Adjusted EBITDA in 2011.

According to the terms of the grant, the portion of the 2011 Performance Vesting Grant which does not vest because the performance goal was not attained rolls forward to become part of the 2012 Performance Vesting Grant scheduled to vest in January 2013 contingent upon attainment of the applicable target for 2012. Because the target for the 2011 Performance Vesting Grant was achieved, the 2011 Performance Vesting Grant was earned in full and no RSUs from the 2011 Performance Vesting Grant rolled forward to become part of the 2012 Performance Vesting Grant. The Company achieved \$61,211,000 of Adjusted EBITDA in 2011 so each of Messrs. Brill, McGowan, McGrath and Brouse vested in full in each of their 2011 Performance Vesting Grants.

On August 1, 2011, Mr. Brouse and On Assignment entered into a Second Amended and Restated Employment Agreement, effective on January 4, 2012, under which Mr. Brouse serves as a Special Advisor to the Chief Executive Officer of On Assignment. In connection with entering into this agreement and in acknowledgement of his reduced responsibilities going forward, Mr. Brouse forfeited 4,926 shares subject to his time-based vesting RSU award granted in January 2011.

Company-Sponsored Health and Welfare Benefits

Our executives and their legal dependents are eligible to participate in Company sponsored health and welfare plans. These benefits are designed to be competitive with overall market practices and to attract and retain employees with the skills and experience needed to promote On Assignment's goals. The Compensation Committee believes that providing this coverage opportunity and enabling payment of the employee portion of such coverage costs through payroll deductions encourages our executives and their legal dependents to avail themselves of appropriate medical, dental and other health care services, as necessary, to help ensure our executives' continued ability to contribute their efforts towards achieving On Assignment's growth, profitability and other goals.

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Severance and Change-in-Control Benefits

The executive employment agreements also provide for severance arrangements with each executive officer in the event of an involuntary termination without “cause” or, in some cases, a “constructive termination” or a termination by the executive for “good reason” as those terms are defined in the executive employment agreements. Additionally, pursuant to our Executive Change of Control Agreements with Mr. Brill and Mr. Dameris and the On Assignment Change in Control Severance Plan in which our other named executive officers participate, On Assignment provides for payments of the executive officer’s then-current annual salary and incentive compensation and continuation of health and welfare plan participation or lump-sum payment of the cost of such continued coverage for a pre-defined period of time, without cost to the executive, in the event the executive is terminated under certain defined circumstances following a change in control. We feel that these severance triggers and levels are appropriate to ensure our executive officers’ financial security, commensurate with their positions, in order to ensure that they remain focused on their duties and responsibilities and promote the best interests of On Assignment in all circumstances.

Pursuant to the Executive Change of Control Agreements with Mr. Brill and Mr. Dameris, immediately prior to a change of control (as defined in the agreements), all stock options and other unvested equity awards then held by the executive will become fully vested and exercisable subject, in Mr. Dameris’ case, to exceptions with respect to certain equity awards granted under his employment agreement. Under the Executive Change of Control Agreements as well as the On Assignment Change in Control Severance Plan, in the event it is determined that any payment arising under such agreement or plan would be subject to the excise tax imposed by Code Section 4999, then the executive shall be entitled to receive an additional payment in an amount equal to the excise tax imposed upon the payments. The Compensation Committee believes that the change in control arrangements serve to minimize any distraction to the executive officer resulting from a potential change in the control of the Company and decrease the risk that these individuals would leave On Assignment when a transaction was imminent which would reduce the value of On Assignment to a prospective buyer, or to the shareholders in the event the transaction failed to close. Structuring the change in control severance benefits as primarily “double-trigger” (becoming payable only upon the occurrence of the executive’s involuntary or constructive termination following the change in control) appropriately serves these goals yet avoids bestowing a windfall on the executive officer in the event he is not involuntarily terminated following such an event. The Compensation Committee believes use of the “single-trigger” accelerated vesting of stock options and other unvested equity awards held by Mr. Brill and Mr. Dameris (which occurs immediately prior to a change in control regardless of whether the executive is involuntarily terminated upon or following the transaction), properly acknowledges the direct link between the executive’s leadership of the Company and the value of the equity and recognizes that the link is greatly attenuated after a change in control, regardless of the executive’s actual employment status. The single-trigger arrangement permits Mr. Brill and Mr. Dameris to receive the benefit of an increase in the fair market value of the equity resulting from their efforts to consummate a transaction approved by our shareholders. The executive employment, severance and change of control arrangements are described under the heading “Employment Agreements” and “Payments upon Termination or Change in Control” below.

Perquisites

On Assignment also makes reasonable perquisites available to certain of its executive officers, consisting of a monthly automobile allowance, payment or reimbursement of actual expenses incurred by the executive officer in connection with an annual physical examination (subject to specific limits) and payment or reimbursement of actual expenses incurred for tax preparation and financial planning services (again, not to exceed specific limits). The Compensation Committee acknowledges the considerable time and focus demanded of our executive officers by their work duties as well as their role as “ambassadors” of On Assignment and authorizes these benefits in order to limit the impact of attending to these personal responsibilities. Additionally, the Compensation Committee believes the executives perceive these perquisites to be valuable and therefore helpful in attracting and retaining qualified leaders.

Deferred Compensation Plans

On Assignment offers tax-qualified 401(k) plans to its U.S. employees. Some of our executives and other employees are not eligible to participate, or to fully participate up to the maximum contribution levels permitted by the Code, in the applicable On Assignment 401(k) plan as a result of their status as “highly compensated” employees under the Code. Therefore, On Assignment in 2011 offered the Deferred Compensation Plans (which consists of the 1998 Deferred Compensation Plan and the 2008 Deferred Compensation Plan, as described in more detail under the heading “Deferred Compensation” elsewhere in this Proxy Statement), a separate non-qualified savings plan, for eligible employees which currently permits employees and directors determined to be eligible by the Compensation Committee to annually elect to defer up to 100% of their base salary, incentive compensation, and/or director fees on a pre-tax basis and earn tax-deferred income on these amounts. The Company believes that these tax advantaged savings plans are valuable in recruiting talented executives. The Deferred Compensation Plans permit matching Company contributions and other benefits similar to, though not as favorable for tax purposes, as the 401(k) plans. The Compensation Committee maintains these programs in an effort to provide the executive officers with retirement benefits that are comparable to and competitive with the benefits available to similarly situated executives in the market.

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In April 2011, the Board terminated the Deferred Compensation Plans, due to low participation and the cost of maintaining the Deferred Compensation Plans. The Deferred Compensation Plans are described in more detail under the heading “Deferred Compensation” elsewhere in this Proxy Statement.

Employee Stock Purchase Plan

At the 2010 Annual Meeting, the shareholders of On Assignment adopted the Employee Stock Purchase Plan which was approved by the Board after the previous Employee Stock Purchase Plan terminated on February 27, 2009 due to the depletion of shares available for issuance. We believe that implementing an employee stock purchase plan helps incentivize our executive officers and provides the incentives of ownership generally to our employees.

Incentive Award Plan

The shareholders of On Assignment approved the 2010 Incentive Award Plan at the 2010 Annual Meeting. The 2010 Incentive Award Plan is designed to permit the Compensation Committee to grant awards that may qualify as performance-based for purposes of satisfying the conditions of Code Section 162(m), including stock options, other performance-vesting awards and cash incentive awards. Other awards under the plan, including time-vesting restricted stock and restricted stock units may not qualify as performance-based awards.

Tax Provisions and Accounting Consequences

The Compensation Committee considers the anticipated tax consequences to us and our executive officers when reviewing our compensation programs, as the deductibility of some types of compensation payments or the amount of tax imposed on the payments can depend upon the timing of an executive’s vesting or exercise of previously granted rights or termination of employment. The Compensation Committee considers the requirements of Code Sections 409A and 162(m) when structuring the executive compensation packages. Code Section 162(m) limits the tax deductibility to the Company of annual compensation in excess of \$1,000,000 that is paid to our Chief Executive Officer, and our three other most highly compensated executive officers (other than the Chief Financial Officer). However, certain performance-based compensation is excluded from the \$1,000,000 limit if, among other requirements, the compensation is payable only upon the attainment of pre-established, objective performance goals that are based on shareholder-approved performance criteria and the committee that establishes and certifies such goals consists only of “outside directors.” Section 409A of the Internal Revenue Code requires that “nonqualified deferred compensation” be deferred and paid under plans or arrangements that satisfy the requirements of the statute with respect to the timing of deferral elections, timing of payments and certain other matters. Failure to satisfy these requirements can expose employees and other service providers to accelerated income tax liabilities, penalty taxes and interest on their vested compensation under such plans. Changes in applicable tax laws and regulations, as well as other factors beyond the Compensation Committee’s control, also can affect the deductibility of compensation. While the Compensation Committee endeavors to minimize deductibility limitations for the Company, the Compensation Committee may, in appropriate circumstances, authorize payments that may become subject to these limitations in order to properly incentivize an executive officer.

Code Section 280G disallows a tax deduction with respect to excess parachute payments to certain executives of companies which undergo a change in control. In addition, Code Section 4999 imposes a 20 percent penalty on the individual receiving the excess payment. Parachute payments are compensation that is linked to or triggered by a change in control and may include, but are not limited to, bonus payments, severance payments, certain fringe benefits, and payments and acceleration of vesting from long-term incentive plans including stock options and other equity-based compensation. Excess parachute payments are parachute payments that exceed a threshold determined under Code Section 280G based on the executive’s prior compensation. In approving the compensation arrangements for our executive officers, our Compensation Committee considers all elements of the cost to our Company of

providing such compensation, including the potential impact of Code Section 280G. However, our Compensation Committee may, in its judgment, authorize compensation arrangements that could give rise to loss of deductibility under Code Section 280G and the imposition of excise taxes under Code Section 4999 when it believes that such arrangements are appropriate to attract and retain executive talent. With respect to Mr. Dameris and Mr. Brill, the Compensation Committee has also provided for tax gross-up payments to alleviate the impact of Section 4999. The Compensation Committee believes these payments are appropriate to properly incentivize and motivate these executives in the event of a potential transaction.

The Compensation Committee also regularly considers the accounting implications of significant compensation decisions, especially in connection with decisions that relate to equity compensation awards. In particular, ASC Topic 718 (formerly known as FASB 123R), requires us to recognize an expense for the fair value of equity-based compensation awards. As accounting standards change, we may revise certain programs to appropriately align accounting expenses of our awards with our overall executive compensation philosophy and objectives.

While the tax or accounting impact of any compensation arrangement is one factor to be considered in determining appropriate compensation, such impact is evaluated in light of the Compensation Committee's overall compensation philosophy and objectives. The Compensation Committee will consider ways to maximize the deductibility of executive compensation, while retaining the discretion it deems necessary to compensate executive officers in a manner commensurate with performance and the competitive environment for executive talent. The Compensation Committee may award compensation which is not fully deductible to our executive officers if it determines that such award is consistent with its philosophy and is in our and our shareholders' best interests.

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Compensation Tables

Summary Compensation Table

The following table sets forth the compensation earned by our named executive officers for services rendered in all capacities to On Assignment for the years ended December 31, 2011, 2010 and 2009.

Summary Compensation Table

Name and Principal Position(1)	Year	Salary (2)	Bonus	Stock Awards (3)	Non-Equity Incentive Plan Comp (4)	Change in Pension Value and Non-qualified Deferred Compensation Earnings	All Other Compensation (5)	Total
Peter Dameris								
Chief Executive Officer and President								
	2011	\$ 635,250	\$ —	\$ 1,589,303	\$ 762,300	\$ —	\$ —	\$ 2,986,853
	2010	\$ 635,250	\$ —	\$ 1,378,112	\$ 517,999	\$ 155,860	\$ —	\$ 2,195,336
	2009	\$ 635,250	\$ —	\$ 3,154,507	\$ 366,621	\$ 433,866	\$ —	\$ 4,598,529
James Brill								
Senior Vice President, Finance and Chief Financial Officer								
	2011	\$ 323,136	\$ —	\$ 516,432	\$ 323,136	\$ —	\$ 10,588	\$ 1,173,292
	2010	\$ 314,888	\$ —	\$ 613,222	\$ 219,578	\$ —	\$ —	\$ 1,156,408
	2009	\$ 293,760	\$ —	\$ 257,948	\$ 141,281	\$ —	\$ —	\$ 696,878
Emmett McGrath								
President, Life Sciences & Allied Healthcare								
	2011	\$ 322,524	\$ 25,000	\$ 293,426	\$ 96,757	\$ —	\$ —	\$ 737,707
	2010	\$ 320,748	\$ —	\$ 417,461	\$ 232,801	\$ —	\$ —	\$ 977,730
	2009	\$ 316,200	\$ —	\$ 146,561	\$ 149,312	\$ —	\$ —	\$ 620,245
Michael McGowan								
President, Oxford Global Resources, Inc.								
	2011	\$ 379,500	\$ 100,000	\$ 471,628	\$ 379,500	\$ —	\$ —	\$ 1,330,628
	2010	\$ 370,211	\$ —	\$ 523,934	\$ 330,851	\$ —	\$ —	\$ 1,229,830
	2009	\$ 345,000	\$ —	\$ 146,561	\$ 143,304	\$ —	\$ —	\$ 640,942
Mark Brouse								
President, VISTA Staffing Solutions, Inc.								
	2011	\$ 271,440	\$ —	\$ 228,271 (6)	\$ 61,074	\$ —	\$ —	\$ 560,785
	2010	\$ 271,440	\$ —	\$ 370,028	\$ 55,335	\$ —	\$ —	\$ 697,626
	2009	\$ 271,440	\$ —	\$ 114,024	\$ 161,409	\$ —	\$ —	\$ 546,873