# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, DC 20549**

# FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended November 27, 2021**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from ______ to______**

**Commission File Number: 0-32113**

# RESOURCES CONNECTION, INC.
**(Exact Name of Registrant as Specified in Its Charter)**

| | |
|---|---|
| **Delaware**<br>**(State or Other Jurisdiction of Incorporation or Organization)** | **33-0832424**<br>**(I.R.S. Employer Identification No.)** |

**17101 Armstrong Avenue, Irvine, California 92614**
**(Address of principal executive offices) (Zip Code)**

**Registrant's telephone number, including area code: (714) 430-6400**

Securities registered pursuant to Section 12(b) of the Act:

| Title of Each Class | Trading Symbol(s) | Name of Exchange on Which Registered |
|---|---|---|
| Common stock, par value $0.01 per share | RGP | The Nasdaq Stock Market LLC (Nasdaq Global Select Market) |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☒ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of December 28, 2021, there were approximately 32,527,210 shares of the registrant's common stock, $0.01 par value per share, outstanding.

**RESOURCES CONNECTION, INC.**
**INDEX**

**PART I—FINANCIAL INFORMATION**

**ITEM 1.** ***CONSOLIDATED FINANCIAL STATEMENTS.***

**RESOURCES CONNECTION, INC.**
**CONSOLIDATED BALANCE SHEETS**
**(Amounts in thousands, except par value per share)**

| | November 27, 2021 (Unaudited) | May 29, 2021 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 70,633 | $ 74,391 |
| Trade accounts receivable, net of allowance for doubtful accounts of $2,101 and $2,032 as of November 27, 2021 and May 29, 2021, respectively | 143,361 | 116,455 |
| Prepaid expenses and other current assets | 6,741 | 7,235 |
| Income taxes receivable | 39,282 | 37,184 |
| Total current assets | 260,017 | 235,265 |
| Goodwill | 214,907 | 216,758 |
| Intangible assets, net | 19,262 | 20,240 |
| Property and equipment, net | 19,243 | 20,543 |
| Operating right-of-use assets | 21,283 | 24,655 |
| Deferred income taxes | 1,403 | 1,691 |
| Other assets | 2,097 | 1,492 |
| Total assets | $ 538,212 | $ 520,644 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | $ 15,877 | $ 15,987 |
| Accrued salaries and related obligations | 63,681 | 55,513 |
| Operating lease liabilities, current | 9,246 | 10,206 |
| Contingent consideration liabilities | - | 7,129 |
| Other liabilities | 10,282 | 12,071 |
| Total current liabilities | 99,086 | 100,906 |
| Long-term debt | 44,000 | 43,000 |
| Operating lease liabilities, noncurrent | 17,376 | 20,740 |
| Deferred income taxes | 18,013 | 18,382 |
| Other long-term liabilities | 6,137 | 8,070 |
| Total liabilities | 184,612 | 191,098 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, $0.01 par value, 5,000 shares authorized; zero shares issued and outstanding | - | - |
| Common stock, $0.01 par value, 70,000 shares authorized; 33,683 and 64,626 shares issued, and 33,683 and 32,885 shares outstanding as of November 27, 2021 and May 29, 2021, respectively | 337 | 646 |
| Additional paid-in capital | 342,807 | 489,864 |
| Accumulated other comprehensive loss | (11,749) | (7,393) |
| Retained earnings | 22,205 | 367,229 |
| Treasury stock at cost, zero and 31,741 shares as of November 27, 2021 and May 29, 2021, respectively | - | (520,800) |
| Total stockholders' equity | 353,600 | 329,546 |
| Total liabilities and stockholders' equity | $ 538,212 | $ 520,644 |

The accompanying notes are an integral part of these consolidated financial statements

**RESOURCES CONNECTION, INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**
**(Unaudited)**
**(Amounts in thousands, except per share amounts)**

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | November 27, 2021 | November 28, 2020 | November 27, 2021 | November 28, 2020 |
| Revenue | $ 200,238 | $ 153,222 | $ 383,378 | $ 300,567 |
| Direct cost of services | 121,497 | 95,044 | 233,204 | 184,493 |
| Gross profit | 78,741 | 58,178 | 150,174 | 116,074 |
| Selling, general and administrative expenses | 56,881 | 54,552 | 108,274 | 105,707 |
| Amortization of intangible assets | 1,184 | 1,393 | 2,287 | 2,923 |
| Depreciation expense | 893 | 984 | 1,812 | 1,991 |
| Income from operations | 19,783 | 1,249 | 37,801 | 5,453 |
| Interest expense, net | 222 | 460 | 438 | 955 |
| Other income | (311) | (475) | (617) | (1,007) |
| Income before provision for income taxes | 19,872 | 1,264 | 37,980 | 5,505 |
| Provision for income taxes | 5,567 | 2,256 | 10,752 | 4,213 |
| Net income (loss) | $ 14,305 | $ (992) | $ 27,228 | $ 1,292 |
| Net income (loss) per common share: | | | | |
| Basic | $ 0.43 | $ (0.03) | $ 0.82 | $ 0.04 |
| Diluted | $ 0.42 | $ (0.03) | $ 0.81 | $ 0.04 |
| Weighted average common shares outstanding: | | | | |
| Basic | 33,221 | 32,356 | 33,058 | 32,270 |
| Diluted | 33,950 | 32,356 | 33,652 | 32,317 |
| Cash dividends declared per common share | $ 0.14 | $ 0.14 | $ 0.28 | $ 0.28 |

The accompanying notes are an integral part of these consolidated financial statements

**RESOURCES CONNECTION, INC.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(Unaudited)**
**(Amounts in thousands)**

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | November 27, 2021 | November 28, 2020 | November 27, 2021 | November 28, 2020 |
| COMPREHENSIVE INCOME (LOSS): | | | | |
| Net income (loss) | $ 14,305 | $ (992) | $ 27,228 | $ 1,292 |
| Foreign currency translation adjustment, net of tax | (2,521) | 940 | (4,356) | 5,256 |
| Total comprehensive income (loss) | $ 11,784 | $ (52) | $ 22,872 | $ 6,548 |

The accompanying notes are an integral part of these consolidated financial statements

## RESOURCES CONNECTION, INC.

## CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
### (Unaudited)
### (Amounts in thousands)

**For the Three Months Ended November 27, 2021**

| | Common Stock | | Additional Paid-in Capital | Treasury Stock | | Accumulated Other Comprehensive Loss | Retained Earnings | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | | Shares | Amount | | | |
| **Balances as of August 28, 2021** | 64,926 | $ 649 | $ 494,742 | 31,739 | $ (520,744) | $ (9,228) | $ 375,426 | $ 340,845 |
| Exercise of stock options | 349 | 3 | 5,271 | | | | | 5,274 |
| Stock-based compensation expense | | | 1,489 | | | | | 1,489 |
| Issuance of restricted stock | 75 | 1 | (1) | | | | | - |
| Issuance of common stock | 72 | 1 | (1,096) | | | | | (1,095) |
| Amortization of restricted stock issued out of treasury stock to board of director members | | | (13) | | 58 | | (25) | 20 |
| Cash dividends declared ($0.14 per share) | | | | | | | (4,717) | (4,717) |
| Dividend equivalents on restricted stock | | | 61 | | | | (61) | - |
| Currency translation adjustment | | | | | | (2,521) | | (2,521) |
| Retirement of treasury stock | (31,739) | (317) | (157,646) | (31,739) | 520,686 | | (362,723) | - |
| Net income for the three months ended November 27, 2021 | | | | | | | 14,305 | 14,305 |
| **Balances as of November 27, 2021** | 33,683 | $ 337 | $ 342,807 | - | $ - | $ (11,749) | $ 22,205 | $ 353,600 |

**For the Six Months Ended November 27, 2021**

| | Common Stock | | Additional Paid-in Capital | Treasury Stock | | Accumulated Other Comprehensive Loss | Retained Earnings | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | | Shares | Amount | | | |
| **Balances as of May 29, 2021** | 64,626 | $ 646 | $ 489,864 | 31,741 | $ (520,800) | $ (7,393) | $ 367,229 | $ 329,546 |
| Exercise of stock options | 429 | 4 | 6,385 | | | | | 6,389 |
| Stock-based compensation expense | | | 2,854 | | | | | 2,854 |
| Issuance of common stock under Employee Stock Purchase Plan | 220 | 2 | 2,349 | | | | | 2,351 |
| Issuance of restricted stock | 75 | 1 | (1) | (2) | - | | | - |
| Issuance of common stock | 72 | 1 | (1,096) | | | | | (1,095) |
| Amortization of restricted stock issued out of treasury stock to board of director members | | | (24) | | 114 | | (50) | 40 |
| Cash dividends declared ($0.28 per share) | | | | | | | (9,357) | (9,357) |
| Dividend equivalents on restricted stock | | | 122 | | | | (122) | - |
| Currency translation adjustment | | | | | | (4,356) | | (4,356) |
| Retirement of treasury stock | (31,739) | (317) | (157,646) | (31,739) | 520,686 | | (362,723) | - |
| Net income for the six months ended November 27, 2021 | | | | | | | 27,228 | 27,228 |
| **Balances as of November 27, 2021** | 33,683 | $ 337 | $ 342,807 | - | $ - | $ (11,749) | $ 22,205 | $ 353,600 |

**For the Three Months Ended November 28, 2020**

| | Common Stock | | Additional Paid-in Capital | Treasury Stock | | Accumulated Other Comprehensive Loss | Retained Earnings | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | | Shares | Amount | | | |
| **Balances as of August 29, 2020** | 64,199 | $ 642 | $ 481,571 | 31,766 | $ (521,033) | $ (9,546) | $ 358,294 | $ 309,928 |
| Exercise of stock options | | | | | | | | |
| Stock-based compensation expense | | | 1,612 | | | | | 1,612 |
| Amortization of restricted stock issued out of treasury stock to board of director members | | | (96) | | 141 | | (45) | - |
| Cash dividends declared ($0.14 per share) | | | | | | | (4,541) | (4,541) |
| Currency translation adjustment | | | | | | 940 | | 940 |
| Net loss for the three months ended November 28, 2020 | | | | | | | (992) | (992) |
| **Balances as of November 28, 2020** | 64,199 | $ 642 | $ 483,087 | 31,766 | $ (520,892) | $ (8,606) | $ 352,716 | $ 306,947 |

**For the Six Months Ended November 28, 2020**

| | Common Stock | | Additional Paid-in Capital | Treasury Stock | | Accumulated Other Comprehensive Loss | Retained Earnings | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | | Shares | Amount | | | |
| **Balances as of May 30, 2020** | 63,910 | $ 639 | $ 477,438 | 31,766 | $ (521,088) | $ (13,862) | $ 360,534 | $ 303,661 |
| Exercise of stock options | 44 | 1 | 503 | | | | | 504 |
| Stock-based compensation expense | | | 2,824 | | | | | 2,824 |
| Issuance of common stock under Employee Stock Purchase Plan | 245 | 2 | 2,458 | | | | | 2,460 |
| Amortization of restricted stock issued out of treasury stock to board of director members | | | (136) | | 196 | | (60) | - |
| Cash dividends declared ($0.28 per share) | | | | | | | (9,050) | (9,050) |
| Currency translation adjustment | | | | | | 5,256 | | 5,256 |
| Net income for the six months ended November 28, 2020 | | | | | | | 1,292 | 1,292 |
| **Balances as of November 28, 2020** | 64,199 | $ 642 | $ 483,087 | 31,766 | $ (520,892) | $ (8,606) | $ 352,716 | $ 306,947 |

The accompanying notes are an integral part of these consolidated financial statements

**RESOURCES CONNECTION, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited)**
**(Amounts in thousands)**

| | Six Months Ended | |
|---|---|---|
| | November 27, 2021 | November 28, 2020 |
| Cash flows from operating activities: | | |
| Net income | $ 27,228 | $ 1,292 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 4,099 | 4,914 |
| Stock-based compensation expense | 3,108 | 3,105 |
| Contingent consideration adjustment | 167 | 342 |
| Loss on disposal of assets | 290 | 167 |
| Loss on dissolution of subsidiaries | 86 | - |
| Amortization of debt issuance costs and lender fees | 14 | - |
| Impairment of operating right-of-use assets | 591 | 650 |
| Adjustment to allowance for doubtful accounts | 387 | (260) |
| Deferred income taxes | 11 | (403) |
| Changes in operating assets and liabilities: | | |
| Trade accounts receivable | (29,189) | 13,547 |
| Prepaid expenses and other current assets | 473 | (888) |
| Income taxes | (3,131) | 1,919 |
| Other assets | (43) | 58 |
| Accounts payable and accrued expenses | 458 | 3,769 |
| Accrued salaries and related obligations | 5,297 | (81) |
| Other liabilities | (6,386) | 1,446 |
| Net cash provided by operating activities | 3,460 | 29,577 |
| Cash flows from investing activities: | | |
| Proceeds from sale of assets | 24 | 168 |
| Acquisition of property and equipment and internal-use software | (2,295) | (1,802) |
| Net cash used in investing activities | (2,271) | (1,634) |
| Cash flows from financing activities: | | |
| Proceeds from exercise of stock options | 6,882 | 522 |
| Proceeds from issuance of common stock under Employee Stock Purchase Plan | 2,351 | 2,460 |
| Payment of contingent consideration | (3,575) | (3,020) |
| Proceeds from Revolving Credit Facility | 53,393 | - |
| Repayments on Revolving Credit Facility | (53,000) | (20,000) |
| Payment of debt issuance costs | (96) | - |
| Cash dividends paid | (9,250) | (9,059) |
| Net cash used in financing activities | (3,295) | (29,097) |
| Effect of exchange rate changes on cash | (1,652) | 2,725 |
| Net (decrease) increase in cash | (3,758) | 1,571 |
| Cash and cash equivalents at beginning of period | 74,391 | 95,624 |
| Cash and cash equivalents at end of period | $ 70,633 | $ 97,195 |

The accompanying notes are an integral part of these consolidated financial statements

**1. Description of the Company and its Business**

Resources Connection, Inc. (the "Company"), a Delaware corporation, was incorporated on November 16, 1998. The Company's operating entities provide services primarily under the name Resources Global Professionals. Resources Global Professionals is a global consulting firm helping businesses tackle transformation, change and compliance challenges by supplying the right professional talent and solutions. The Company's principal markets of operations are the United States ("U.S."), Europe, Asia Pacific, Mexico and Canada.

The Company's fiscal year consists of 52 or 53 weeks, ending on the Saturday in May closest to May 31. The second quarters of fiscal 2022 and 2021 each consisted of 13 weeks. The Company's fiscal 2022 will consist of 52 weeks.

**2. Summary of Significant Accounting Policies**

***Interim Financial Information***

The accompanying unaudited financial statements of the Company as of and for the three and six months ended November 27, 2021 and November 28, 2020 have been prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. These financial statements include all adjustments (consisting only of normal recurring adjustments) Company management considers necessary for a fair presentation of its financial position at such dates and the operating results and cash flows for those periods. The fiscal 2021 year-end balance sheet data was derived from audited consolidated financial statements, and certain information and note disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to Securities and Exchange Commission ("SEC") rules or regulations; however, the Company believes the disclosures made are adequate to make the information presented not misleading.

The unaudited consolidated results of operations for the interim periods presented are not necessarily indicative of the results of operations to be expected for the full fiscal year. These interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended May 29, 2021, which are included in the Company's Annual Report on Form 10-K ("Fiscal Year 2021 Form 10-K") filed with the SEC on July 23, 2021 (File No. 0-32113).

The Company's significant accounting policies are described in Note 2 to the audited consolidated financial statements included in the Fiscal Year 2021 Form 10-K.

***Principles of Consolidation***

The consolidated financial statements of the Company include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

***Reporting Segments***

Effective in the second quarter of fiscal 2021, the Company revised its historical one segment position and identified the following new operating segments to align with changes made in its internal management structure and its reporting structure of financial information used to assess performance and allocate resources:

- RGP – a global business consulting practice which operates primarily under the RGP brand and focuses on project consulting and professional staffing services in areas such as finance and accounting, business strategy and transformation, risk and compliance, and technology and digital;
- *taskforce* – a German professional services firm that operates under the *taskforce* brand. It utilizes a distinct independent contractor/partner business model and infrastructure and focuses on providing senior interim management and project management services to middle market clients in the German market;
- Sitrick – a crisis communications and public relations firm which operates under the Sitrick brand, providing corporate, financial, transactional and crisis communication and management services.

Each of these three segments reports through a separate management team to the Company's Chief Executive Officer, who is designated as the Chief Operating Decision Maker for segment reporting purposes. RGP is the Company's only reportable segment. *taskforce* and Sitrick do not individually meet the quantitative thresholds to qualify as reportable segments. Therefore, they are combined and disclosed as Other Segments. Each of these segments represents a reporting unit for the purposes of assessing goodwill for impairment. All prior-period comparative segment information was recast to reflect the current reportable segments in accordance with Accounting Standards Codification 280, *Segment Reporting*. The change in segment reporting did not impact the Company's consolidated financial statements.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although management believes these estimates and assumptions are adequate, actual results could differ from the estimates and assumptions used.

***Net Income (Loss) Per Share Information***

The Company presents both basic and diluted earnings per share ("EPS"). Basic EPS is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted EPS is based upon the weighted average number of common shares and common equivalent shares outstanding during the period, calculated using the treasury stock method. Under the treasury stock method, exercise proceeds include the amount the employee must pay for exercising stock options, the amount of compensation cost related to stock awards for future services that the Company has not yet recognized and the amount of tax benefits that would be recorded when the award becomes deductible. Common equivalent shares are excluded from the computation in periods in which they have an anti-dilutive effect. Stock options for which the exercise price exceeds the average market price over the period are anti-dilutive and are excluded from the calculation.

The following table summarizes the calculation of net income (loss) per common share for the periods indicated (in thousands, except per share amounts):

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | November 27, 2021 | November 28, 2020 | November 27, 2021 | November 28, 2020 |
| Net income (loss) | $ 14,305 | $ (992) | $ 27,228 | $ 1,292 |
| Basic: | | | | |
| Weighted average shares | 33,221 | 32,356 | 33,058 | 32,270 |
| Diluted: | | | | |
| Weighted average shares | 33,221 | 32,356 | 33,058 | 32,270 |
| Potentially dilutive shares | 729 | - | 594 | 47 |
| Total dilutive shares | 33,950 | 32,356 | 33,652 | 32,317 |
| Net income (loss) per common share | | | | |
| Basic | $ 0.43 | $ (0.03) | $ 0.82 | $ 0.04 |
| Dilutive | $ 0.42 | $ (0.03) | $ 0.81 | $ 0.04 |
| Anti-dilutive shares not included above | 1,853 | 5,083 | 1,936 | 5,185 |

***Financial Instruments***

The fair value of the Company's financial instruments reflects the amounts that the Company estimates it will receive in connection with the sale of an asset in an orderly transaction between market participants at the measurement date (exit price). The fair value hierarchy prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1 – Quoted prices in active markets for identical assets and liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3 – Unobservable inputs.

Contingent consideration liability is for estimated future contingent consideration payments related to the Company's acquisitions. During the three months ended November 27, 2021, the Company made the final cash earn-out payment of $7.0 million related to the acquisition of Veracity Consulting Group, LLC ("Veracity"). Total contingent consideration liabilities were zero and $7.0 million as of November 27, 2021 and May 29, 2021, respectively. The fair value measurement of the liability was based on significant inputs not observed in the market and thus represents a Level 3 measurement. The significant unobservable inputs used in the fair value measurement of the contingent consideration liability were the Company's measures of the estimated payouts based on internally generated financial projections and discount rates. The fair value of contingent consideration liability was remeasured on a quarterly basis until settlement by the Company using additional information as it becomes available, and any change in the fair value estimates were recorded in selling, general and administrative expenses in the Company's Consolidated Statements of Operations.

The Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and long-term debt are carried at cost, which approximates their fair value because of the short-term maturity of these instruments or because their stated interest rates are indicative of market interest rates.

***Share Repurchases and Retirement***

The Company accounts for the retirement of repurchased shares using the par value method under which the cost of repurchased and retired shares in excess of the par value is allocated between additional paid-in capital and retained earnings. When the repurchase price is greater than the original issue proceeds, the excess is charged to retained earnings. The Company uses the weighted-average cost flow assumption to identify and assign the original issue proceeds to the cost of the shares repurchased and retired. The Company believes that this allocation method is preferable because it more accurately reflects its paid-in capital balances by allocating the cost of the shares repurchased and retired to paid-in capital in proportion to paid-in capital associated with the original issuance of those shares.

***Recent Accounting Pronouncements***

No recent accounting pronouncements or changes in accounting pronouncements have been issued or adopted since those discussed in the Company's Fiscal Year 2021 Form 10-K, that are of material significance, or have potential material significance, to the Company.

**3. Revenue Recognition**

The timing of revenue recognition, billings and cash collections affects the recognition of accounts receivable, contract assets and contract liabilities.

Contract assets represent the Company's rights to consideration for completed performance under the contract (i.e., unbilled receivables), in which the Company has transferred control of the product or services before there is an unconditional right to payment. Contract assets were $38.1 million and $36.2 million as of November 27, 2021 and May 29, 2021, respectively.

Contract liabilities represent deferred revenue when cash is received in advance of performance and are presented in Other Liabilities in the Consolidated Balance Sheets. Contract liabilities were $3.7 million and $4.6 million as of November 27, 2021 and May 29, 2021, respectively. Revenues recognized during the three and six months ended November 27, 2021 that were included in deferred revenues as of May 29, 2021 were $0.5 million and $1.6 million, respectively.

**4. Dispositions**

During the six months ended November 27, 2021, the Company completed the dissolution of the following two foreign subsidiaries: RGP Denmark A/S and RGP Italy SRL, as it continued to complete its exit from certain non-core markets in Europe. The Company recognized a total loss on dissolution of $0.1 million during the six months ended November 27, 2021, primarily related to the recognition of the accumulated cumulative translation adjustment associated with these foreign subsidiaries, which was included in selling, general and administrative expenses in the Company's Consolidated Statement of Operations.

**5. Intangible Assets and Goodwill**

The following table sets forth the Company's intangible assets, including acquired intangible assets and internal-use software (in thousands):

| | As of November 27, 2021 | | | As of May 29, 2021 | | |
|---|---|---|---|---|---|---|
| | Gross | Accumulated Amortization | Net | Gross | Accumulated Amortization | Net |
| Customer contracts and relationships (3-8 years) | $ 23,810 | $ (11,243) | $ 12,567 | $ 23,941 | $ (9,918) | $ 14,023 |
| Tradenames (3-10 years) | 4,994 | (3,765) | 1,229 | 5,164 | (3,651) | 1,513 |
| Backlog (17 months) | 1,210 | (1,210) | - | 1,210 | (1,210) | - |
| Consultant list (3 years) | 792 | (792) | - | 849 | (849) | - |
| Non-compete agreements (3 years) | 905 | (905) | - | 970 | (970) | - |
| Computer software (2-3.5 years) | 6,833 | (1,367) | 5,466 | 5,446 | (742) | 4,704 |
| Total | $ 38,544 | $ (19,282) | $ 19,262 | $ 37,580 | $ (17,340) | $ 20,240 |

The Company recorded amortization expense of $1.2 million and $1.4 million for the three months ended November 27, 2021 and November 28, 2020, respectively, and $2.3 million and $2.9 million for the six months ended November 27, 2021 and November 28, 2020, respectively. The following table summarizes future estimated amortization expense related to intangible assets (in thousands):

| | | |
|---|---|---|
| 2022 (remaining 6 months) | $ | 2,652 |
| 2023 | | 5,151 |
| 2024 | | 4,997 |
| 2025 | | 3,497 |
| 2026 | | 2,311 |
| 2027 | | 448 |
| Total | $ | 19,056 |

The estimates of future intangible asset amortization expense do not incorporate the potential impact of future currency fluctuations when translating the financial results of the Company's international operations that have amortizable intangible assets into U.S. dollars.

The following table summarizes the activity in the Company's goodwill balance (in thousands):

| | RGP | | Other Segments | | Total Company | |
|---|---|---|---|---|---|---|
| Balance as of May 29, 2021 | $ | 209,388 | $ | 7,370 | $ | 216,758 |
| Impact of foreign currency exchange rate changes | | (1,533) | | (318) | | (1,851) |
| Balance as of November 27, 2021 | $ | 207,855 | $ | 7,052 | $ | 214,907 |

**6. Leases**

The Company currently leases office space, vehicles and certain equipment under operating leases. The following table summarizes components of the total lease cost, which are included within selling, general and administrative expenses in the Consolidated Statements of Operations (in thousands):

| | Three Months Ended | | | | Six Months Ended | | | |
|---|---|---|---|---|---|---|---|---|
| | November 27, 2021 | | November 28, 2020 | | November 27, 2021 | | November 28, 2020 | |
| Operating lease cost | $ | 2,200 | $ | 2,745 | $ | 4,456 | $ | 5,618 |
| Short-term lease cost | | 39 | | 29 | | 74 | | 92 |
| Variable lease cost | | 539 | | 681 | | 1,084 | | 1,248 |
| Sublease income | | (273) | | (222) | | (518) | | (444) |
| Total lease cost | $ | 2,505 | $ | 3,233 | $ | 5,096 | $ | 6,514 |

Supplemental cash flow information related to the Company's operating leases were as follows (in thousands):

| | Three Months Ended | | | | Six Months Ended | | | |
|---|---|---|---|---|---|---|---|---|
| | November 27, 2021 | | November 28, 2020 | | November 27, 2021 | | November 28, 2020 | |
| Cash paid for amounts included in the measurement of operating lease liabilities | $ | 2,869 | $ | 3,683 | $ | 5,781 | $ | 6,957 |
| Right-of-use assets obtained in exchange for new operating lease obligations | $ | 1,001 | $ | 535 | $ | 1,429 | $ | 1,555 |

The weighted average remaining lease term and weighted average discount rate for the Company’s operating leases were as follows:

| | As of November 27, 2021 | As of May 29, 2021 |
|---|---|---|
| Weighted average remaining lease term | 3.56 years | 3.7 years |
| Weighted average discount rate | 3.74% | 3.92% |

The maturities of operating lease liabilities were as follows as of November 27, 2021 (in thousands):

| Years Ending: | | Operating Lease Maturity |
|---|---|---|
| May 28, 2022 | $ | 6,240 |
| May 27, 2023 | | 10,884 |
| May 25, 2024 | | 8,555 |
| May 31, 2025 | | 6,752 |
| May 30, 2026 | | 3,219 |
| Thereafter | | 3,864 |
| Total minimum payments | $ | 39,514 |
| Less: interest | | (12,892) |
| Present value of operating lease liabilities | $ | 26,622 |

The Company owns its headquarters office building located in Irvine, California and leases approximately 13,000 square feet of the approximately 57,000 square feet building to independent third parties under operating lease agreements expiring through fiscal 2025. Rental income recognized totaled $48,000 and $55,000 for the three months ended November 27, 2021 and November 28, 2020, respectively, and $96,000 and $110,000 for the six months ended November 27, 2021 and November 28, 2020, respectively. Under the terms of these operating lease agreements, rental income is expected to be $103,000, $219,000, $219,000 and $77,000 in the remaining six months of fiscal 2022 and fiscal years 2023 through 2025, respectively. Rental income is included in selling, general and administrative expenses in the Consolidated Statements of Operations.

**7. Income Taxes**

For the three months ended November 27, 2021 and November 28, 2020, the Company’s provision for income taxes was $5.6 million, an effective tax rate of 28.0%, and $2.3 million, an effective tax rate of 178.5%, respectively. For the six months ended November 27, 2021 and November 28, 2020, the Company’ provision for income taxes was $10.8 million, an effective tax rate of 28.3%, and $4.2 million, an effective tax rate of 76.5%, respectively. The decrease in effective tax rate resulted primarily from the improvement in operating results in international entities, enabling the Company to utilize the benefits from historical net operating losses in certain foreign jurisdictions.

The Company operates in an international environment. Accordingly, the consolidated effective tax rate is a composite rate reflecting the earnings (losses) in various locations and the applicable tax rates in those jurisdictions, and fluctuations in the consolidated effective tax rate reflect the changes in the mix of earnings (losses) in these jurisdictions.

The Company recognized a net tax benefit of approximately $0.5 million and $0.1 million from compensation expense related to stock options, restricted stock awards, restricted stock units, performance stock units and disqualifying dispositions under the Company’s 2019 Employee Stock Purchase Plan (“ESPP”) during the three months ended November 27, 2021 and November 28, 2020, respectively. The Company recognized a net tax benefit of approximately $0.8 million and $0.3 million from compensation expense related to stock options, restricted stock awards, restricted stock units, performance stock units and disqualifying dispositions under the ESPP during the six months ended November 27, 2021 and November 28, 2020, respectively.

The Company’s total liability for unrecognized tax benefits, including accrued interest and penalties, was $0.9 million as of both November 27, 2021 and May 29, 2021, which, if ultimately recognized, would impact the effective tax rate in future periods. The unrecognized tax benefits are included in long-term liabilities in the Consolidated Balance Sheets based on the closing of the statute of limitations.

**8. Long-Term Debt**

Prior to November 12, 2021, the Company had a $120.0 million secured revolving credit facility (the “Previous Credit Facility”) with Bank of America, pursuant to the terms of the Credit Agreement dated October 17, 2016 between the Company and Resources Connection LLC, as borrowers, and Bank of America, N.A. as lender (as amended, the “Previous Credit Agreement”). The Previous

Credit Agreement was set to mature on October 17, 2022.

On November 12, 2021, the Company and Resources Connection LLC and all domestic subsidiaries of the Company as guarantors entered into a credit agreement with the lenders' party thereto and Bank of America, N.A. as administrative agent for the lenders (the "New Credit Agreement"), and concurrently terminated the Previous Credit Facility. The New Credit Agreement provides for a $175.0 million senior secured revolving loan (the "New Credit Facility"), which includes a $10.0 million sublimit for the issuance of standby letters of credit and a swingline sublimit of $20.0 million. The New Credit Facility also includes an option to increase the amount of the revolving loan up to an additional $75.0 million, subject to the terms of the New Credit Agreement. The New Credit Facility matures on November 12, 2026. The obligations under the New Credit Facility are secured by substantially all assets of the Company, Resources Connection LLC and the Company's domestic subsidiaries.

On November 12, 2021, the Company borrowed $44.0 million under the New Credit Facility. Borrowings under the New Credit Facility bear interest at a rate per annum of either, at the Company's election, (i) Term SOFR (as defined in the New Credit Agreement) plus a margin ranging from 1.25% to 2.00% or (ii) the Base Rate (as defined in the New Credit Agreement), plus a margin of 0.25% to 1.00% with the applicable margin depending on the Company's consolidated leverage ratio, which resulted in an interest rate of 1.41% as of November 27, 2021. The Company pays an unused commitment fee on the average daily unused portion of the New Credit Facility, which ranges from 0.20% to 0.30% depending upon on the Company's consolidated leverage ratio.

The Company had $1.3 million of outstanding letters of credit and $129.7 million remaining capacity under the New Credit Facility as of November 27, 2021. The New Credit Agreement contains both affirmative and negative covenants. Covenants include, but are not limited to, limitations on the Company's and its subsidiaries' ability to incur liens, incur additional indebtedness, make certain restricted payments, merge or consolidate and make dispositions of assets. In addition, the New Credit Agreement requires the Company to comply with financial covenants including limitation on the Company's total funded debt, minimum interest coverage ratio and maximum leverage ratio. The Company was compliant with all financial covenants under the New Credit Agreement as of November 27, 2021.

**9. Stockholders' Equity**

*Stock Repurchase Program*

In July 2015, the Company's board of directors approved a stock repurchase program (the "July 2015 Program"), authorizing the repurchase, at the discretion of the Company's senior executives, of the Company's common stock for an aggregate dollar limit not to exceed $150 million. Subject to the aggregate dollar limit, the currently authorized stock repurchase program does not have an expiration date. Repurchases under the program may take place in the open market or in privately negotiated transactions and may be made pursuant to a Rule 10b5-1 plan. During the three and six months ended November 27, 2021, the Company made no repurchase of its common stock. As of November 27, 2021, approximately $85.1 million remained available for future repurchases of the Company's common stock under the July 2015 Program. See Note 15—*Subsequent Events* for additional information.

*Quarterly Dividend*

Subject to approval each quarter by its board of directors, the Company pays a regular quarterly cash dividend. On October 21, 2021, the Company's board of directors declared a quarterly cash dividend of $0.14 per common share. The dividend of approximately $4.7 million was paid on December 16, 2021 to the holders of record on November 18, 2021, and is accrued for in the Company's Consolidated Balance Sheet as of November 27, 2021.

Continuation of the quarterly dividend is at the discretion of the board of directors and depends upon the Company's financial condition, results of operations, capital requirements, general business condition, contractual restrictions contained in the New Credit Agreement and other agreements, and other factors deemed relevant by the board of directors.

*Retirement of Treasury Shares*

On November 8, 2021, the Company retired 31.7 million shares of its common stock held in treasury. The shares were returned to the status of authorized but unissued shares. As a result, the treasury stock balance decreased by approximated $520.7 million. In connection with the retirement, the Company reduced its common stock, additional paid-in capital, and retained earnings balances by $0.3 million, $157.6 million, and $362.7 million, respectively. Refer to Note 2 — *Summary of Significant Accounting Policies* for the Company's accounting policy for the retirement of treasury shares.

**10. Restructuring Activities**

The Company initiated its global restructuring and business transformation plan in North America and Asia Pacific (the "North America and APAC Plan") in March 2020 and in Europe (the "European Plan" and, together with the North America and APAC Plan, the “Restructuring Plans”) in September 2020. The Restructuring Plans consist of two key components: (i) an effort to streamline the management and organizational structure and eliminate certain positions as well as exit certain markets to focus on core solution offerings and high growth clients; and (ii) a strategic rationalization of the Company’s physical geographic footprint and real estate spend to focus investment dollars in high-growth core markets for greater impact. All of the employee termination and facility exit costs associated with the Restructuring Plans are within the Company’s RGP segment and are recorded in selling, general and administrative expenses in its Consolidated Statement of Operations. See further discussion about the Company’s segment position in Note 13 – *Segment Information*.

Restructuring costs for the three and six months ended November 27, 2021 and November 28, 2020 were as follows (in thousands):

| | Three Months Ended | | | | | |
|---|---|---|---|---|---|---|
| | November 27, 2021 | | | November 28, 2020 | | |
| | North America and APAC Plan | European Plan | Total | North America and APAC Plan | European Plan | Total |
| Employee termination costs (adjustments) | $ 44 | $ (22) | $ 22 | $ 159 | $ 5,296 | $ 5,455 |
| Real estate exit costs | 542 | 1 | 543 | 700 | 382 | 1,082 |
| Other costs | - | 18 | 18 | - | 238 | 238 |
| Total restructuring costs (adjustments) | $ 586 | $ (3) | $ 583 | $ 859 | $ 5,916 | $ 6,775 |

| | Six Months Ended | | | | | |
|---|---|---|---|---|---|---|
| | November 27, 2021 | | | November 28, 2020 | | |
| | North America and APAC Plan | European Plan | Total | North America and APAC Plan | European Plan | Total |
| Employee termination costs (adjustments) | $ 78 | $ (224) | $ (146) | $ 1,097 | $ 5,296 | $ 6,393 |
| Real estate exit costs (adjustments) | 874 | (15) | 859 | 722 | 382 | 1,104 |
| Other costs | - | 26 | 26 | 56 | 238 | 294 |
| Total restructuring costs (adjustments) | $ 952 | $ (213) | $ 739 | $ 1,875 | $ 5,916 | $ 7,791 |

The $0.5 million of real estate exit costs during the three months ended November 27, 2021 consisted primarily of $0.2 million of non-cash impairment of right-of-use assets and $0.3 million of loss on disposal of fixed assets under the North America and APAC Plan. The $0.9 million of real estate exit costs during the six months ended November 27, 2021 consisted primarily of $0.6 million of non-cash impairment of right-of use assets and $0.3 million of loss on disposal of fixed assets under the North America and APAC Plan.

As of November 27, 2021, cumulative restructuring costs since the announcement of the Restructuring Plans were as follows (in thousands):

| | Inception to Date | | |
|---|---|---|---|
| | November 27, 2021 | | |
| | North America and APAC Plan | European Plan | Total |
| Employee termination costs (adjustments) | $ 5,031 | $ 4,614 | $ 9,645 |
| Real estate exit costs | 2,980 | 649 | 3,629 |
| Other costs | - | 706 | 706 |
| Total restructuring costs | $ 8,011 | $ 5,969 | $ 13,980 |

The following table summarizes the employee termination activity under the Restructuring Plans for the three and six months ended November 27, 2021 and November 28, 2020, respectively (in thousands):

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | November 27, 2021 | November 28, 2020 | November 27, 2021 | November 28, 2020 |
| Liability balance, beginning of period | $ 729 | $ 1,403 | $ 1,263 | $ 1,874 |
| Increase in liability (restructuring costs) | 22 | 5,455 | 22 | 6,393 |
| Reduction in liability (payments and others) | (378) | (1,556) | (912) | (2,965) |
| Liability balance, end of period | $ 373 | $ 5,302 | $ 373 | $ 5,302 |

As of November 27, 2021, the Company has substantially completed the planned employee headcount reduction under the Restructuring Plans and recognized substantially all of the expected employee termination costs in connection with the reduction in force. The Company had $0.4 million in employee termination liability as of November 27, 2021, which is expected to be paid out prior to the end of calendar 2022.

**11. Supplemental Disclosure of Cash Flow Information**

The following table presents information regarding income taxes paid, interest paid and non-cash investing and financing activities (in thousands):

| | Six Months Ended | |
|---|---|---|
| | November 27, 2021 | November 28, 2020 |
| Income taxes paid | $ 14,100 | $ 2,627 |
| Interest paid | $ 310 | $ 876 |
| Non-cash investing and financing activities: | | |
| Capitalized leasehold improvements paid directly by landlord | $ 7 | $ - |
| Dividends declared, not paid | $ 4,717 | $ 4,541 |

**12. Stock-Based Compensation Plans**

***General***

The Company's stockholders approved the 2020 Performance Incentive Plan (the "2020 Plan") on October 22, 2020, which replaced and succeeded in its entirety the 2014 Performance Incentive Plan (the "2014 Plan"). Executive officers and certain employees, as well as non-employee directors of the Company and certain consultants and advisors, are eligible to participate in the 2020 Plan. The maximum number of shares of the Company's common stock that may be issued or transferred pursuant to awards under the 2020 Plan equals: (1) 1,797,440 (which represents the number of shares that were available for additional award grant purposes under the 2014 Plan immediately prior to the termination of the authority to grant new awards under the 2014 Plan as of October 22, 2020), plus (2) the number of any shares subject to stock options granted under the 2014 Plan or the Resources Connection, Inc. 2004 Performance Incentive Plan (together with the 2014 Plan, the "Prior Plans") and outstanding as of October 22, 2020 which expire, or for any reason are cancelled or terminated, after that date without being exercised, plus (3) the number of any shares subject to restricted stock and restricted stock unit awards granted under the Prior Plans that are outstanding and unvested as of October 22, 2020 which are forfeited, terminated, cancelled, or otherwise reacquired after that date without having become vested. Awards under the 2020 Plan may include, but are not limited to, stock options, stock appreciation rights, restricted stock, stock units, stock bonuses and other forms of awards granted or denominated in shares of common stock or units of common stock, as well as certain cash bonus awards. The Company has granted restricted stock, restricted stock units and stock option awards under the 2020 Plan that typically vest in equal annual installments and performance stock unit awards under the 2020 Plan that vest upon the achievement of certain Company-wide performance targets at the end of the defined performance period. Stock option grants typically terminate ten years from the date of grant. As of November 27, 2021, there were 1,545,614 shares available for further award grants under the 2020 Plan.

***Stock-Based Compensation Expense***

Stock-based compensation expense included in selling, general and administrative expenses was $2.0 million and $1.7 million for the three months ended November 27, 2021 and November 28, 2020, respectively, and $3.6 million and $3.1 million for the six months ended November 27, 2021 and November 28, 2020, respectively. These amounts consisted of stock-based compensation expense related to employee stock options, employee stock purchases made via the ESPP, restricted stock awards, restricted stock units, performance stock units and stock units credited under the Directors Deferred Compensation Plan.

***Stock Options***

The following table summarizes the stock option activity for the six months ended November 27, 2021 (in thousands, except weighted average exercise price):

| | Shares | | Weighted Average Exercise Price |
|---|---|---|---|
| Outstanding at May 29, 2021 | 4,556 | $ | 15.78 |
| Exercised | (429) | | 14.89 |
| Forfeited | (41) | | 17.31 |
| Expired | (144) | | 15.30 |
| Outstanding at November 27, 2021 | 3,942 | $ | 15.88 |
| Exercisable at November 27, 2021 | 3,236 | $ | 15.46 |
| Vested and expected to vest at November 27, 2021 | 3,862 | $ | 15.84 |

As of November 27, 2021, there was $2.3 million of total unrecognized compensation cost related to unvested and outstanding employee stock options. That cost is expected to be recognized over a weighted-average period of 1.18 years.

***Employee Stock Purchase Plan***

On October 15, 2019, the Company’s stockholders approved the ESPP which superseded the Company’s previous Employee Stock Purchase Plan. The maximum number of shares of the Company’s common stock that are authorized for issuance under the ESPP is 1,825,000.

The ESPP allows qualified employees (as defined in the ESPP) to purchase designated shares of the Company’s common stock at a price equal to 85% of the lesser of the fair market value of common stock at the beginning or end of each semi-annual stock purchase period. The ESPP’s term expires July 16, 2029. The Company issued 220,000 and 245,000 shares of common stock pursuant to the ESPP during the six months ended November 27, 2021 and November 28, 2020, respectively. There were 915,212 shares of common stock available for issuance under the ESPP as of November 27, 2021.

***Restricted Stock Awards***

The following table summarizes the activities for the unvested restricted stock awards for the six months ended November 27, 2021 (in thousands, except weighted average grant-date fair value):

| | Shares | | Weighted Average Grant-Date Fair Value |
|---|---|---|---|
| Outstanding at May 29, 2021 | 127 | $ | 13.12 |
| Granted | 75 | | 18.34 |
| Vested | (22) | | 12.55 |
| Unvested as of November 27, 2021 | 180 | $ | 15.46 |
| Expected to vest as of November 27, 2021 | 152 | $ | 15.34 |

As of November 27, 2021, there was $2.1 million of total unrecognized compensation cost related to unvested restricted stock awards. The cost is expected to be recognized over a weighted-average period of 1.73 years.

***Restricted Stock Units***

The following table summarizes the activities for the unvested restricted stock units for the six months ended November 27, 2021 (in thousands, except weighted average grant-date fair value):

| | Equity-Classified Restricted Stock Units | | Liability-Classified Stock Units | | Total Restricted Stock Units | |
|---|---|---|---|---|---|---|
| | **Shares** | **Weighted Average Grant-Date Fair Value** | **Shares** | **Weighted Average Grant-Date Fair Value** | **Shares** | **Weighted Average Grant-Date Fair Value** |
| Outstanding at May 29, 2021 | 513 | $ 11.40 | 89 | $ 14.58 | 602 | $ 11.87 |
| Granted | 201 | 18.01 | 3 | 15.35 | 204 | 17.98 |
| Vested | (126) | 11.64 | (22) | 14.30 | (148) | 12.03 |
| Forfeited | (6) | 11.64 | - | - | (6) | 11.64 |
| Unvested as of November 27, 2021 | 582 | $ 14.00 | 70 | $ 14.01 | 652 | $ 13.98 |
| Expected to vest as of November 27, 2021 | 504 | $ 13.95 | 70 | $ 14.01 | 575 | $ 13.96 |

As of November 27, 2021, there was $6.8 million of total unrecognized compensation cost related to unvested equity-classified restricted stock units (which are the restricted stock units granted under the 2020 Plan that settle in shares of the Company’s common stock). That cost is expected to be recognized over a weighted-average period of 2.14 years. As of November 27, 2021, there was $0.6 million of total unrecognized compensation cost related to unvested liability-classified restricted stock units (which are the stock units credited under the Directors Deferred Compensation Plan that settle in cash). That cost is expected to be recognized over a weighted-average period of 1.65 years.

***Performance Stock Units***

During the three months ended November 27, 2021, the Company issued performance stock units to certain members of management. The total number of shares that would vest under the performance stock units will be determined at the end of the three-year performance period based on the Company’s achievement of certain revenue and adjusted EBITDA percentage targets over the performance period. The following table summarizes the activities for the unvested performance stock units for the six months ended November 27, 2021 (in thousands, except weighted average grant-date fair value):
ADD TABEL

| | **Shares** | **Weighted Average Grant-Date Fair Value** |
|---|---|---|
| Outstanding at May 29, 2021 | - | $ - |
| Granted (1) | 197 | 18.44 |
| Unvested as of November 27, 2021 | 197 | $ 18.44 |
| Expected to vest as of November 27, 2021 | 166 | $ 18.44 |

(1) *Shares granted in the six months ended November 27, 2021 are presented at the stated target, which represents the base number of shares that would vest. Actual shares vest may be 0-150% of the target based on the achievement of the specific company-wide performance targets.*

As of November 27, 2021, there was $2.9 million of total unrecognized compensation cost related to unvested performance stock units. That cost is expected to be recognized over a weighted-average period of 2.49 years.

**13. Segment Information**

As discussed in Note 2 — *Summary of Significant Accounting Policies*, the Company revised its historical one segment position and identified the following new operating segments effective in the second quarter of fiscal 2021 to align with changes made in its internal management structure and its reporting structure of financial information used to assess performance and allocate resources: RGP, *taskforce*, and Sitrick. RGP is the Company's only reportable segment. *taskforce* and Sitrick do not individually meet the quantitative thresholds to qualify as reportable segments. Therefore, they are combined and disclosed as Other Segments.

The tables below reflect the operating results of the Company's segments consistent with the management and performance measurement system utilized by the Company. All prior year periods presented were recast to reflect the impact of the preceding segment changes. Performance measurement is based on segment Adjusted EBITDA. Adjusted EBITDA is defined as net income (loss) before amortization of intangible assets, depreciation expense, interest and income taxes plus stock-based compensation expense, restructuring costs, technology transformation costs, and plus or minus contingent consideration adjustments. Adjusted EBITDA at the segment level excludes certain shared corporate administrative costs that are not practical to allocate. The Company's Chief Operating Decision Maker does not evaluate segments using asset information.

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| **(In thousands)** | **November 27, 2021** | **November 28, 2020** | **November 27, 2021** | **November 28, 2020** |
| **Revenues:** | | | | |
| RGP | $ 189,400 | $ 142,002 | $ 362,333 | $ 279,111 |
| Other Segments | 10,838 | 11,220 | 21,045 | 21,456 |
| Total revenues | $ 200,238 | $ 153,222 | $ 383,378 | $ 300,567 |
| | | | | |
| **Adjusted EBITDA:** | | | | |
| RGP | $ 32,121 | $ 18,401 | $ 61,177 | $ 34,859 |
| Other Segments | 1,232 | 1,251 | 2,238 | 2,417 |
| Reconciling items (1) | (8,405) | (7,257) | (16,115) | (14,664) |
| Total Adjusted EBITDA | $ 24,948 | $ 12,395 | $ 47,300 | $ 22,612 |

*(1) Reconciling items are generally comprised of unallocated corporate administrative costs, including management and board compensation, corporate support function costs and other general corporate costs that are not allocated to segments.*

The below is a reconciliation of the Company's net income (loss) to Adjusted EBITDA for all periods presented (amounts are in thousands):

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | November 27, 2021 | November 28, 2020 | November 27, 2021 | November 28, 2020 |
| Net income (loss) | $ 14,305 | $ (992) | $ 27,228 | $ 1,292 |
| Adjustments: | | | | |
| Amortization of intangible assets | 1,184 | 1,393 | 2,287 | 2,923 |
| Depreciation expense | 893 | 984 | 1,812 | 1,991 |
| Interest expense, net | 222 | 460 | 438 | 955 |
| Provision for income taxes | 5,567 | 2,256 | 10,752 | 4,213 |
| EBITDA | 22,171 | 4,101 | 42,517 | 11,374 |
| Stock-based compensation expense | 2,019 | 1,708 | 3,648 | 3,105 |
| Restructuring costs | 583 | 6,775 | 739 | 7,791 |
| Technology transformation costs (1) | 229 | - | 229 | - |
| Contingent consideration adjustment | (54) | (189) | 167 | 342 |
| Adjusted EBITDA | $ 24,948 | $ 12,395 | $ 47,300 | $ 22,612 |

*(1) Commencing with the three months ended November 27, 2021, Adjusted EBITDA also excludes the impact of technology transformation costs. Technology transformation costs represent costs included in net income related to the Company's initiative to upgrade its technology platform globally, including a cloud-based enterprise resource planning system and talent acquisition and management system. Such costs primarily include third-party consulting fees and costs associated with dedicated internal resources that are not capitalized through the duration of the system implementations.*

**14. Legal Proceedings**

The Company is involved in certain legal matters arising in the ordinary course of business. In the opinion of management, none of such matters, if disposed of unfavorably, would have a material adverse effect on the Company's financial position, cash flows or results of operations.

**15. Subsequent Events**

***Share Repurchase***

On December 8, 2021, the Company purchased 1,155,236 shares of the Company's common stock in a privately negotiated transaction with Dublin Acquisition, LLC (the "Seller") pursuant to the terms of a Stock Purchase Agreement, dated December 3, 2021, entered into between the Company and the Seller (the "Stock Purchase Agreement"). The Stock Purchase Agreement provided that the purchase price per share was $17.01, equal to the lower of (i) the 10-day volume-weighted average price for the period ending on Friday December 3, 2021 or (ii) the closing price on December 3, 2021. The purchased shares had previously been issued to the Seller in connection with the Company's acquisition of Accretive Solutions, Inc. in November 2017. The shares of common stock were purchased by the Company pursuant to the Company's July 2015 Program. Following the repurchase, approximately $65.4 million remained available for future repurchases of the Company's common stock under the July 2015 Program. *See* Note 9 — *Stockholders' Equity* for additional information about the July 2015 Program.

***Borrowing on the New Credit Facility***

On December 6, 2021, the Company borrowed $20.0 million on the New Credit Facility, increasing its outstanding loans under the New Credit Facility to $64.0 million.

**ITEM 2.** ***MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.***

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and accompanying notes. This discussion and analysis contains "forward-looking statements," within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements relate to expectations concerning matters that are not historical facts. For example, statements discussing, among other things, expected costs and liabilities, business strategies, growth strategies and initiatives, acquisition strategies, future revenues and future performance, are forward-looking statements. Such forward-looking statements may be identified by words such as "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "remain," "should," or "will" or the negative of these terms or other comparable terminology.

These statements, and all phases of our operations, are subject to known and unknown risks, uncertainties and other factors that could cause our actual results, levels of activity, performance or achievements and those of our industry to differ materially from those expressed or implied by these forward-looking statements. The disclosures we make concerning risks, uncertainties and other factors that may affect our business or operating results included in Part I, Item 1A of our Fiscal Year 2021 Form 10-K and our other public filings made with the SEC should be reviewed carefully. These risks and uncertainties include, but are not limited to, the following: risks arising from epidemic diseases, such as the COVID-19 pandemic (the "Pandemic"), the possible adverse effects from economic conditions or changes in the use of outsourced professional services consultants, the highly competitive nature of the market for professional services, risks related to the loss of a significant number of our consultants, or an inability to attract and retain new consultants, the possible impact on our business from the loss of the services of one or more key members of our senior management, risks related to potential significant increases in wages or payroll-related costs, our ability to secure new projects from clients, our ability to achieve or maintain a suitable pay/bill ratio, our ability to compete effectively in the competitive bidding process, risks related to unfavorable provisions in our contracts which may permit our clients to, among other things, terminate the contracts partially or completely at any time prior to completion, our ability to realize the level of benefit that we expect from our restructuring initiatives, risks that our recent digital expansion and technology transformation efforts many not be successful, our ability to build an efficient support structure as our business continues to grow and transform, our ability to grow our business, manage our growth or sustain our current business, our ability to serve clients internationally, additional operational challenges from our international activities, possible disruption of our business from our past and future acquisitions, risks that our computer hardware and software and telecommunications systems are damaged, breached or interrupted, risks related to the failure to comply with data privacy laws and regulations and the adverse effect it may have on our reputation, results of operations or financial condition, our ability to comply with governmental, regulatory and legal requirements and company policies, the possible legal liability for damages resulting from the performance of projects by our consultants or for our clients' mistreatment of our personnel, risks arising from changes in applicable tax laws or adverse results in tax audits or interpretations, the possible adverse effect on our business model from the reclassification of our independent contractors by foreign tax and regulatory authorities, the possible difficulty for a third party to acquire us and resulting depression of our stock price, the operating and financial restrictions from our credit facility, risks related to the variable rate of interest in our credit facility, and the possibility that we are unable to or elect not to pay our quarterly dividend payment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business or operating results. Readers are cautioned not to place undue reliance on the forward-looking statements included herein, which speak only as of the date of this filing. We do not intend, and undertake no obligation, to update the forward-looking statements in this filing to reflect events or circumstances after the date of this filing or to reflect the occurrence of unanticipated events, unless required by law to do so. References in this filing to "Resources Global Professionals," the "Company," "we," "us," and "our" refer to Resources Connection, Inc. and its subsidiaries.

**Overview**

Resources Global Professionals is a global consulting firm helping businesses tackle transformation, change and compliance challenges by supplying the right professional talent and solutions. As a next-generation human capital partner for our clients, we specialize in solving today's most pressing business problems across the enterprise in the areas of transactions, regulations, and transformations.

Disrupting the professional services industry since our founding in 1996, we are an emerging leader in the "now of work" — attracting and retaining the best talent in an increasingly fluid gig-oriented environment. Based in Irvine, California, with offices worldwide, our agile human capital model attracts top-caliber professionals with in-demand skillsets who seek a workplace environment that embraces flexibility, collaboration, and human connection. Our agile professional services model quickly aligns the right resources and solutions for the work at hand with speed and efficiency. See Part 1, Item 1 "Business" of our Fiscal Year 2021 Form 10-K for further discussions about our business and operations.

Despite the impacts of the Pandemic, we successfully evolved our operating model to allow us to operate from a position of strength. The Pandemic accelerated certain macro trends that we believe favor our model. These include the increased use of contingent talent and virtual or remote work becoming mainstream. We expect to continue to evolve our client engagement and talent delivery model to take advantage of these important shifts. Our agile talent platform has helped our clients pivot their workforce and operating models in many ways. Fiscal 2021 was a year of validation, innovation, and strengthening for growth, which has continued into fiscal 2022. During the three and six months ended November 27, 2021, we experienced robust top line growth and margin expansion propelled by continued acceleration of pipeline and sales activities, sustained improvement in operational execution and delivery, and enhanced fixed cost structure. We believe that we are continuing to lay a solid foundation for even stronger growth ahead.

**Fiscal 2022 Strategic Focus Areas**

Our strategic focus areas in fiscal 2022 are:

- Drive meaningful revenue growth and deliver enhanced EBITDA margin
- Commercialize our digital strategies
- Modernize our global technology infrastructure
- Strengthen the RGP brand

Driving meaningful growth in our top-line revenue and expanding our EBITDA margin will remain our highest priority in fiscal 2022. Our strategy is to continue to focus on the growth of our strategic client and key industry vertical programs, particularly in healthcare, leveraging broader market talent for virtual delivery and the increasing focus on account penetration. Since inception, our strategic account program has been one of the key drivers of revenue and business growth. In fiscal 2022, we are further broadening our strategic account program by moving additional accounts into the program and adopting the client centric and borderless approach to serve these clients. We believe our efforts will allow us to continue to develop in-depth knowledge of these clients' needs and increase the scope and size of our projects with them. In our healthcare industry vertical, we see strong growth momentum from pharmaceutical to medical device to payor and provider, including in practice areas such as revenue cycle optimization, clinical trials process redesign and supply chain transformation. To align with market demand, we are expanding our capabilities in such areas as revenue integrity, clinical trials support and supply chain optimization and are leveraging our depth of industry expertise to help clients operate with enhanced agility and efficiency in the rapidly evolving healthcare industry. In addition, the continued evolution of our operating and delivery model to be more flexible, virtual, and borderless has allowed us to expand opportunities within existing core clients and markets as well as to uncover opportunities to effectively serve new clients in new markets. As our clients continue to accelerate their digital and workforce paradigm transformations in this still uncertain economic environment, we are ready and positioned to deliver greater workforce agility and flexibility to our clients.

We are committed to improving EBITDA performance and delivering enhanced stockholder value. We are building on significant cost savings and margin expansion achieved in fiscal 2021 through heightened focus on pricing and delivery and operational efficiency. We are improving our pay/bill ratio through value-based pricing and strategic management of our direct delivery costs. In a world with intensified competition for talent, we are striving to attract high-caliber professionals with the right skillsets and qualifications, and appropriately reflect the value delivered in our bill rates. We are also achieving a structural improvement in cost leverage through disciplined management of headcount, business expenses, and real estate costs in an increasingly digital, virtual market.

Our second focus area for this fiscal year is to commercialize our digital strategies, and we continue to make solid strides. We have completed the development of the core functionalities of HUGO, a digital staffing platform within our employment model where talent and businesses/clients can connect and engage directly. HUGO is designed to offer clients and talent unprecedented transparency, speed, and control. We launched HUGO in the Tri-State markets in October 2021. We continue to enhance its functionality with further artificial intelligence and machine learning. Additionally, our efforts to commercialize our digital strategies this year also include the acceleration of digital transformation services revenue through the continued expansion of go-to-market penetration for Veracity Consulting Group, LLC ("Veracity") in North America and further development of our Digital Technology Practice in the Asia Pacific region. We expect to drive continued enhancement in our abilities to provide digital transformation and technology consulting services from strategy and roadmap to technical implementation. Our focus on introducing Veracity more broadly to our client base has generated positive returns since inception, with Veracity revenue growing 40.2% year-over-year in the first half of fiscal 2022. We believe the increase in virtual or remote delivery arrangements resulting from the Pandemic has and will continue to accelerate digital transformation agendas in our existing client base and create opportunities for us to engage with new clients, contributing to further topline revenue growth.

The third area of focus for fiscal 2022 is to modernize our technology platform. We recently launched a multi-year project to elevate our technology infrastructure globally, including a cloud-based enterprise resource planning system and talent acquisition and management system. We believe our investment in this technology initiative will accelerate our efficiency and data-led decision-making capabilities, optimize process flow and automation, scale our operations to support future growth, and create an enhanced digital experience for our consultants and clients.

Fourth, we will focus even more on our human-first brand to improve the consultant experience. Our brand is built on the power of human. Through enhanced transparency, flexibility and digital connection, fulfilling assignments, competitive compensation and benefits and continued education, training and professional development, we are strengthening our professional community and delivering care and wellbeing to our consultants. We are positioning ourselves as the preferred human capital partner in the "now of work," providing the best talent to meet our clients' needs in an increasingly fluid gig-oriented environment.

**COVID-19 Impact and Outlook**

During the Pandemic, we experienced adverse impacts to our business including, among other things, reduced demand for or delayed client decisions to procure our services, especially in certain of our markets. In response to the Pandemic, we evolved our operating model to be more virtual and borderless, which resulted in improved operational execution and leverage. At the same time, the ongoing shifts accelerated by the Pandemic, including the increased use of contingent talent and virtual or remote delivery, have increased the importance and relevance of our solutions and allowed us to operate from a position of strength, as evidenced by the sustained improvement in our financial results.

As the Pandemic continues to evolve, we are following local government mandates, where applicable, and will continue to revise and refine our client delivery solutions and plans to return to on-site work to ensure exceptional client service, business continuity, and the safety and wellbeing of our employees. The full extent to which the Pandemic impacts our business will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and the actions to contain its impact, the impacts of new variants of the virus, and the timing, distribution, efficacy and public acceptance of vaccines and other treatments for COVID-19.

**Critical Accounting Policies and Estimates**

The following discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements in accordance with GAAP requires us to make estimates and judgments.

There have been no material changes in our critical accounting policies or in the estimates and assumptions underlying those policies, from those described under the heading "Critical Accounting Policies and Estimates" in Item 7 of Part II of our Fiscal Year 2021 Form 10-K.

**Non-GAAP Financial Measures**

We use certain non-GAAP financial measures to assess our financial and operating performance that are not defined by, or calculated in accordance with, GAAP. A non-GAAP financial measure is defined as a numerical measure of a company's financial performance that (i) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the comparable measure calculated and presented in accordance with GAAP in the Consolidated Statements of Operations; or (ii) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the comparable GAAP measure so calculated and presented.

Our primary non-GAAP financial measures are listed below and reflect how we evaluate our operating results.

- Same day constant currency revenue is adjusted for the following items:
  - Currency impact. In order to remove the impact of fluctuations in foreign currency exchange rates, we calculate constant currency revenue, which represents the outcome that would have resulted had exchange rates in the current period been the same as those in effect in the comparable prior period.
  - Business days impact. In order to remove the fluctuations caused by comparable periods having a different number of business days, we calculate same day revenue as current period revenue (adjusted for currency impact) divided by the number of business days in the current period, multiplied by the number of business days in the comparable prior period. The number of business days in each respective period is provided in the "Number of Business Days" section in the table below.
- Adjusted EBITDA is calculated as net income (loss) before amortization of intangible assets, depreciation expense, interest and income taxes plus stock-based compensation expense, restructuring costs, technology transformation costs, and plus or minus contingent consideration adjustments. Adjusted EBITDA at the segment level excludes certain shared corporate administrative costs that are not practical to allocate.
- Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenue.

*Same day constant currency revenue*

Same day constant currency revenue assists management in evaluating revenue trends on a more comparable and consistent basis. We believe this measure also provides more clarity to our investors in evaluating our core operating performance and facilitates a comparison of such performance from period to period. The following table presents a reconciliation of same day constant currency revenue to revenue, the most directly comparable GAAP financial measure, by geography.

**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

| **Revenue by Geography** | **Three Months Ended** | | **Six Months Ended** | |
|---|---|---|---|---|
| | **November 27, 2021** | **November 28, 2020** | **November 27, 2021** | **November 28, 2020** |
| | (Unaudited) | | (Unaudited) | |
| | **(Amounts in thousands, except number of business days)** | | | |
| **North America** | | | | |
| As reported (GAAP) | $ 167,154 | $ 122,732 | $ 319,033 | $ 243,346 |
| Currency impact | (107) | | (382) | |
| Business days impact | - | | 2,549 | |
| Same day constant currency revenue | $ 167,047 | | $ 321,200 | |
| **Europe** | | | | |
| As reported (GAAP) | $ 19,921 | $ 19,082 | $ 38,786 | $ 35,374 |
| Currency impact | (138) | | (1,109) | |
| Same day constant currency revenue | $ 19,783 | | $ 37,677 | |
| **Asia Pacific** | | | | |
| As reported (GAAP) | $ 13,163 | $ 11,408 | $ 25,559 | $ 21,847 |
| Currency impact | 238 | | 48 | |
| Same day constant currency revenue | $ 13,401 | | $ 25,607 | |
| **Total Consolidated** | | | | |
| As reported (GAAP) | $ 200,238 | $ 153,222 | $ 383,378 | $ 300,567 |
| Currency impact | (7) | | (1,443) | |
| Business days impact | - | | 2,549 | |
| Same day constant currency revenue | $ 200,231 | | $ 384,484 | |
| **Number of Business Days** | | | | |
| North America (1) | 62 | 62 | 125 | 126 |
| Europe (2) | 65 | 65 | 129 | 129 |
| Asia Pacific (2) | 61 | 61 | 124 | 124 |

*(1) This represents the number of business days in the U.S.*
*(2) This represents the number of business days in the country or countries in which the revenues are most concentrated within the geography.*

***Adjusted EBITDA and Adjusted EBITDA Margin***

Adjusted EBITDA and Adjusted EBITDA Margin assist management in assessing our core operating performance. We also believe these measures provide investors with a useful perspective on underlying business results and trends and facilitate a comparison of our performance from period to period. The following table presents Adjusted EBITDA and Adjusted EBITDA Margin for the periods indicated and includes a reconciliation of such measures to net income (loss) and net income (loss) margin, the most directly comparable GAAP financial measures (amounts in thousands, except percentages):

| | Three Months Ended | | | | Six Months Ended | | | |
|---|---|---|---|---|---|---|---|---|
| | November 27, 2021 | % of Revenue | November 28, 2020 | % of Revenue | November 27, 2021 | % of Revenue | November 28, 2020 | % of Revenue |
| | (Unaudited, Amounts in thousands, except percentages) | | | | | | | |
| Net income (loss) | $ 14,305 | 7.1 % | $ (992) | (0.6)% | $ 27,228 | 7.1 % | $ 1,292 | 0.4 % |
| Adjustments: | | | | | | | | |
| Amortization of intangible assets | 1,184 | 0.6 | 1,393 | 0.9 | 2,287 | 0.6 | 2,923 | 1.0 |
| Depreciation expense | 893 | 0.5 | 984 | 0.7 | 1,812 | 0.5 | 1,991 | 0.6 |
| Interest expense, net | 222 | 0.1 | 460 | 0.3 | 438 | 0.1 | 955 | 0.3 |
| Provision for income taxes | 5,567 | 2.8 | 2,256 | 1.4 | 10,752 | 2.8 | 4,213 | 1.4 |
| EBITDA | 22,171 | 11.1 | 4,101 | 2.7 | 42,517 | 11.1 | 11,374 | 3.7 |
| Stock-based compensation expense | 2,019 | 1.0 | 1,708 | 1.1 | 3,648 | 0.9 | 3,105 | 1.1 |
| Restructuring costs | 583 | 0.3 | 6,775 | 4.4 | 739 | 0.2 | 7,791 | 2.6 |
| Technology transformation costs (1) | 229 | 0.1 | - | - | 229 | 0.1 | - | - |
| Contingent consideration adjustment | (54) | (0.0) | (189) | (0.1) | 167 | 0.0 | 342 | 0.1 |
| Adjusted EBITDA | $ 24,948 | 12.5 % | $ 12,395 | 8.1 % | $ 47,300 | 12.3 % | $ 22,612 | 7.5 % |

*(1) Commencing with the three months ended November 27, 2021, Adjusted EBITDA also excludes the impact of technology transformation costs. Technology transformation costs represent costs included in net income related to the Company's initiative to upgrade its technology platform globally, including a cloud-based enterprise resource planning system and talent acquisition and management system. Such costs primarily include third-party consulting fees and costs associated with dedicated internal resources that are not capitalized through the duration of the system implementations.*

Our non-GAAP financial measures are not measurements of financial performance or liquidity under GAAP and should not be considered in isolation or construed as substitutes for revenue, net income, earnings per share, cash flows, or other measures of financial performance prepared in accordance with GAAP for purposes of analyzing our revenue, profitability or liquidity.

Further, a limitation of our non-GAAP financial measures is they exclude items detailed above that have an impact on our GAAP reported results. Other companies in our industry may calculate these non-GAAP financial measures differently than we do, limiting their usefulness as a comparative measure. Because of these limitations, these non-GAAP financial measures should not be considered a substitute for performance measures calculated in accordance with GAAP.

**Results of Operations**

The following table sets forth, for the periods indicated, our Consolidated Statements of Operations data. These historical results are not necessarily indicative of future results.

| | Three Months Ended | | | | Six Months Ended | | | |
|---|---|---|---|---|---|---|---|---|
| | November 27, 2021 | | November 28, 2020 | | November 27, 2021 | | November 28, 2020 | |
| | (Amounts in thousands, except percentages) | | | | | | | |
| Revenue | $ 200,238 | 100.0 % | $ 153,222 | 100.0 % | $ 383,378 | 100.0 % | $ 300,567 | 100.0 % |
| Direct cost of services | 121,497 | 60.7 | 95,044 | 62.0 | 233,204 | 60.8 | 184,493 | 61.4 |
| Gross profit | 78,741 | 39.3 | 58,178 | 38.0 | 150,174 | 39.2 | 116,074 | 38.6 |
| Selling, general and administrative expenses | 56,881 | 28.4 | 54,552 | 35.6 | 108,274 | 28.2 | 105,707 | 35.2 |
| Amortization of intangible assets | 1,184 | 0.6 | 1,393 | 0.9 | 2,287 | 0.6 | 2,923 | 1.0 |
| Depreciation expense | 893 | 0.4 | 984 | 0.7 | 1,812 | 0.5 | 1,991 | 0.6 |
| Income from operations | 19,783 | 9.9 | 1,249 | 0.8 | 37,801 | 9.9 | 5,453 | 1.8 |
| Interest expense, net | 222 | 0.1 | 460 | 0.3 | 438 | 0.1 | 955 | 0.3 |
| Other income | (311) | (0.1) | (475) | (0.3) | (617) | (0.1) | (1,007) | (0.3) |
| Income before provision for income taxes | 19,872 | 9.9 | 1,264 | 0.8 | 37,980 | 9.9 | 5,505 | 1.8 |
| Provision for income taxes | 5,567 | 2.8 | 2,256 | 1.4 | 10,752 | 2.8 | 4,213 | 1.4 |
| Net income (loss) | $ 14,305 | 7.1 % | $ (992) | (0.6)% | $ 27,228 | 7.1 % | $ 1,292 | 0.4 % |

**Consolidated Operating Results – Three Months Ended November 27, 2021 Compared to Three Months Ended November 28, 2020**

Percentage change computations are based upon amounts in thousands.

***Revenue.*** Revenue increased $47.0 million to $200.2 million in the second quarter of fiscal 2022 from $153.2 million in the second quarter of fiscal 2021. The year-over-year revenue growth was 30.7% on both a GAAP and same day constant currency basis. Billable hours increased 28.8% and the average bill rate improved 1.7% from the prior year quarter.

The following table represents our consolidated revenues by geography for the three months ended November 27, 2021 and November 28, 2020, respectively:

| | November 27, 2021 | % of Revenue | November 28, 2020 | % of Revenue |
|---|---|---|---|---|
| | (Amounts in thousands, except percentages) | | | |
| North America | $ 167,154 | 83.5 % | $ 122,732 | 80.1 % |
| Europe | 19,921 | 9.9 | 19,082 | 12.5 |
| Asia Pacific | 13,163 | 6.6 | 11,408 | 7.4 |
| Total | $ 200,238 | 100 % | $ 153,222 | 100 % |

Revenue acceleration across all geographies during the second quarter of fiscal 2022 compared to the prior year quarter continued to be propelled by strong client demand and better operational execution and delivery. The increase in client demand across most of our markets and solution offerings reflected macro trends. Such trends include workforce agility, workforce gaps caused by the "Great Resignation," the demand for digital transformation services, and the continued strengthening in client spending on significant and transformational initiatives, as evidenced by larger deal size, longer project duration and record high pipelines and closed deals. The strong revenue growth was led by solution areas in Finance and Accounting and Business Transformation and our strategic client account program. Additionally, revenue conversion benefited from our sustained improvement in operational execution and delivery, as we continued to refine our client centric and borderless approach. Our focus on value-based pricing also continued to drive year-over-year improvement in average bill rate, contributing to overall revenue growth.

North America experienced the most robust revenue growth of 36.2%, or 36.1% on a same day constant currency basis, from the second quarter of fiscal 2021. The broad-based strengthening in client demand and spending resulted from continued recovery of the macro economy in the U.S., with clients resuming their discretionary spending and accelerating their digital and workforce paradigm transformation. The shift towards workforce agility and the increased acceptance of co-delivery and remote delivery contracts not only enhanced our value proposition to our clients, but also allowed for sustained improvement in our operational efficiency with better matching of supply and demand that allowed us to respond to client opportunities in a more nimble and efficient manner. In Europe, our adoption of a more integrated global go-to-market approach to focus on serving our tier one multi-national clients in this region drove strong business growth. Europe revenue increased 4.4%, or 3.7% on a same day constant currency basis, from the second quarter of fiscal 2021, despite $1.1 million of lost revenue from the exit of certain markets in connection with our restructuring initiatives in the prior fiscal year. Asia Pacific revenue improved 15.4%, or 17.5% on a same day constant currency basis, led by continued penetration and growth at our strategic client accounts in this region.

***Direct Cost of Services.*** Direct cost of services increased $26.5 million, or 27.8%, to $121.5 million for the second quarter of fiscal 2022 from $95.0 million for the second quarter of fiscal 2021. The increase in the amount of direct cost of services year-over-year was primarily attributable to a 28.8% increase in billable hours.

Direct cost of services as a percentage of revenue was 60.7% for the second quarter of fiscal 2022 compared to 62.0% for the second quarter of fiscal 2021. The decreased percentage compared to the prior year was primarily attributable to an improvement of 80 basis points in overall pay/bill ratio, better leverage in healthcare cost and other indirect benefits, and lower passthrough revenue from client reimbursement. Our target direct cost of services percentage is 60%.

The number of consultants on assignment at the end of the second quarter of fiscal 2022 was 3,319 compared to 2,669 at the end of the second quarter of fiscal 2021.

***Selling, General and Administrative Expenses.*** Selling, general and administrative expenses (“SG&A”) was $56.9 million, or 28.4% as a percentage of revenue, for the second quarter of fiscal 2022, compared to $54.6 million, or 35.6% as a percentage of revenue, for the second quarter of fiscal 2021. Excluding restructuring costs in both periods, SG&A as a percentage of revenue improved 310 basis points compared to the second quarter of fiscal 2021. This is primarily driven by improvements of 440 basis points in management compensation and 80 basis points in occupancy costs as a percentage of revenue, as we continue to optimize sales productivity and operating efficiency while reducing our fixed cost structure. The savings were partially offset by a 280-basis-point increase in bonuses and commissions as a percentage of revenue, as a direct result of significant growth in both topline and profitability.

Management and administrative headcount was 884 at the end of the second quarter of fiscal 2022 and 896 at the end of the second quarter of fiscal 2021. Management and administrative headcount includes full time equivalent headcount for our seller-doer group, which is determined by utilization levels achieved by the seller-doers. Any unutilized time is converted to full time equivalent headcount.

***Restructuring charges.*** We substantially completed our North America and APAC Plan and the European Plan in fiscal 2021. All employee termination and facility exit costs incurred under the restructuring plans were associated with the RGP segment, and are recorded in selling, general and administrative expenses in the Consolidated Statements of Operations. Restructuring costs for the three months ended November 27, 2021 and November 28, 2020 were as follows (in thousands):

| | Three Months Ended | | | | | |
|---|---|---|---|---|---|---|
| | November 27, 2021 | | | November 28, 2020 | | |
| | North America and APAC Plan | European Plan | Total | North America and APAC Plan | European Plan | Total |
| Employee termination costs (adjustments) | $ 44 | $ (22) | $ 22 | $ 159 | $ 5,296 | $ 5,455 |
| Real estate exit costs | 542 | 1 | 543 | 700 | 382 | 1,082 |
| Other costs | - | 18 | 18 | - | 238 | 238 |
| Total restructuring costs (adjustments) | $ 586 | $ (3) | $ 583 | $ 859 | $ 5,916 | $ 6,775 |

For further information on our restructuring initiatives, please refer to Note 10 – *Restructuring Activities* in Part I, Item 1 above.

***Amortization and Depreciation Expense.*** Amortization of intangible assets was $1.2 million in the second quarter of fiscal 2022 and $1.4 million in the second quarter of fiscal 2021. The decrease in amortization expense is primarily due to certain acquired intangible assets being fully amortized at the end of the first quarter in fiscal 2021, partially offset by the amortization of certain internally developed software put in service in the second quarter of fiscal 2021 and later quarters. Depreciation expense was $0.9 million and $1.0 million in the second quarter of fiscal 2022 and fiscal 2021, respectively.

***Income Taxes.*** The provision for income taxes was $5.6 million (effective tax rate of 28.0%) for the second quarter of fiscal 2022 compared to $2.3 million (effective tax rate of 178.5%) for the second quarter of fiscal 2021. We record tax expense based upon actual results versus a forecasted tax rate because of the volatility in our international operations that span numerous tax jurisdictions and the resulting uncertainty of our ability to utilize historical net operating losses in such jurisdictions. The decrease in effective tax rate resulted primarily from the improvement in operating results in our operations globally, enabling us to utilize the benefits from historical net operating losses in the foreign jurisdictions. In the second quarter of fiscal 2021, the majority of the restructuring charges were incurred in our European entities resulting in a pre-tax loss in Europe. With significant required valuation allowances on tax benefits related to these net operating losses, no tax benefits were recognized in connection with the pre-tax loss, resulting in an effective tax rate of 178.5% in the second quarter of fiscal 2021.

Given the current earnings and anticipated future earnings of some of our foreign entities, we believe there is a reasonable possibility that within the next 12 months, sufficient positive evidence may become available to allow us to reach a conclusion that the valuation allowance on the deferred tax assets of certain foreign entities will no longer be needed. Reversal of the valuation allowance would result in the recognition of previously unrecognized deferred tax assets and a decrease to income tax expense in the period the reversal is recorded. The exact timing and amount of the valuation allowance reversal will be subject to the level of profitability that we are able to actually achieve.

We recognized a net tax benefit of approximately $0.5 million and $0.1 million from compensation expense related to stock options, restricted stock awards, restricted stock units, performance stock units, and disqualifying dispositions under our ESPP during the three months ended November 27, 2021 and November 28, 2020, respectively.

***Comparability of Quarterly Results.*** Our quarterly results have fluctuated in the past and we believe they will continue to do so in the future. Certain factors that could affect our quarterly operating results are described in Part II, Item 1A.—Risk Factors of our Fiscal Year 2021 Form 10-K. Due to these and other factors, we believe quarter-to-quarter comparisons of our results of operations may not be meaningful indicators of future performance.

**Consolidated Operating Results – Six Months Ended November 27, 2021 Compared to Six Months Ended November 28, 2020**

Percentage change computations are based upon amounts in thousands.

***Revenue.*** Revenue increased $82.8 million, or 27.6%, to $383.4 million for the six months ended November 27, 2021 from $300.6 million for the six months ended November 28, 2020. On a same day constant currency basis, revenue increased 27.9% compared to the first half of fiscal 2021. Billable hours increased 25.8% and the average bill rate improved 1.8% compared to the first half of fiscal 2022.

The following table represents our consolidated revenues by geography for the six months ended November 27, 2021 and November 28, 2020, respectively:

| | November 27, 2021 | % of Revenue | November 28, 2020 | % of Revenue |
|---|---|---|---|---|
| | (Amounts in thousands, except percentages) | | | |
| North America | $ 319,033 | 83.2 % | $ 243,346 | 81.0 % |
| Europe | 38,786 | 10.1 | 35,374 | 11.8 |
| Asia Pacific | 25,559 | 6.7 | 21,847 | 7.2 |
| Total | $ 383,378 | 100 % | $ 300,567 | 100 % |

Revenue growth accelerated across all geographies during the six months ended November 27, 2021 compared to the six months ended November 28, 2020, as we continued to benefit from strong demand for our services in the opportunity rich environment and our sustained improvement in operational execution and efficiency. By geography, North America, Europe and Asia Pacific experienced year-over-year growth of 31.1%, 9.6% and 17.0%, respectively, or 32.0%, 6.5% and 17.2%, respectively, on the same day constant currency basis. The drivers for the 6-month period revenue growth are consistent with those for the three-month period, as discussed above.

***Direct Cost of Services.*** Direct cost of services increased $48.7 million, or 26.4%, to $233.2 million for the six months ended November 27, 2021 from $184.5 million for the six months ended November 28, 2020. The increase in the amount of direct cost of services year-over-year was primarily attributable to a 25.8% increase in billable hours and a 1.0% increase in average pay rate.

Direct cost of services as a percentage of revenue was 60.8% for the six months ended November 27, 2021 compared to 61.4% for the six months ended November 28, 2020. The decreased percentage compared to the prior year was primarily attributable to an improvement of 40 basis points in overall pay/bill ratio, better leverage in healthcare cost and other indirect benefits, and lower passthrough revenue from client reimbursement, partially offset by a more significant holiday impact. The first six months of fiscal 2022 included one more holiday in the U.S., due to the timing of Memorial Day, compared to the first six months of fiscal 2021.

***Selling, General and Administrative Expenses.*** SG&A was $108.3 million, or 28.2% as a percentage of revenue, for the six months ended November 27, 2021 compared to $105.7 million, or 35.2% as a percentage of revenue, for the six months ended November 28, 2020. Excluding restructuring costs in both periods, SG&A as a percentage of revenue improved 450 basis points compared to the first six months of fiscal 2021. This is primarily driven by improvements of 480 basis points in management compensation and 90 basis points in occupancy costs as a percentage of revenue, as we continue to optimize sales productivity and operating efficiency while reducing our fixed cost structure. The savings were partially offset by a 160-basis-point increase in bonuses and commissions as a percentage of revenue, as a direct result of significant growth in both topline and profitability, and a $0.9 million decrease in legal costs recovery.

***Restructuring charges.*** We substantially completed our North America and APAC Plan and the European Plan in fiscal 2021. All employee termination and facility exit costs incurred under the restructuring plans were associated with the RGP segment, and are recorded in selling, general and administrative expenses in the Consolidated Statements of Operations. Restructuring costs for the six months ended November 27, 2021 and November 28, 2020 were as follows (in thousands):

| | Six Months Ended | | | | | |
|---|---|---|---|---|---|---|
| | November 27, 2021 | | | November 28, 2020 | | |
| | North America and APAC Plan | European Plan | Total | North America and APAC Plan | European Plan | Total |
| Employee termination costs (adjustments) | $ 78 | (224) | $ (146) | $ 1,097 | 5,296 | $ 6,393 |
| Real estate exit costs (adjustments) | 874 | (15) | 859 | 722 | 382 | 1,104 |
| Other costs | - | 26 | 26 | 56 | 238 | 294 |
| Total restructuring costs (adjustments) | $ 952 | $ (213) | $ 739 | $ 1,875 | $ 5,916 | $ 7,791 |

For further information on our restructuring initiatives, please refer to Note 10 – *Restructuring Activities* in Part I, Item 1 above.

***Amortization and Depreciation Expense.*** Amortization of intangible assets was $2.3 million and $2.9 million in the first six months of fiscal 2022 and fiscal 2021, respectively. The decrease in amortization expense is primarily due to certain acquired intangible assets being fully amortized at the end of the first quarter in fiscal 2021, partially offset by the amortization of certain internally developed software put in service in the second quarter of fiscal 2021 and later quarters. Depreciation expense was $1.8 million and $2.0 million in the first six months of fiscal 2022 and fiscal 2021, respectively. The decrease in depreciation expense was primarily due to fully-depreciated computer equipment in periods prior to the second quarter of fiscal 2022.

***Income Taxes.*** The provision for income taxes was $10.8 million (effective tax rate of 28.3%) for the six months ended November 27, 2021 compared to $4.2 million (effective tax rate of 76.5%) for the six months ended November 28, 2020. We record tax expense based upon actual results versus a forecasted tax rate because of the volatility in our international operations that span numerous tax jurisdictions and the resulting uncertainty of our ability to utilize historical net operating losses in such jurisdictions. The decrease in effective tax rate resulted primarily from the improvement in operating results in our international entities, enabling us to utilize the benefits from historical net operating losses in the foreign jurisdictions. In the first six months of fiscal 2021, the majority of the restructuring charges were incurred in our European entities resulting in a pre-tax loss in Europe. With significant required valuation allowances on tax benefits related to these net operating losses, no tax benefits were recognized in connection with the pre-tax loss, resulting in an effective tax rate of 76.5% in Q2 2021.

We recognized a net tax benefit of approximately $0.8 million and $0.3 million from compensation expense related to stock options, restricted stock awards, restricted stock units, performance stock units, and disqualifying dispositions under our ESPP during the first half of fiscal 2022 and fiscal 2021, respectively.

**Operating Results of Segment**

Effective in the second quarter of fiscal 2021, we revised our historical one segment position and identified the following new operating segments to align with changes made in our internal management structure and our reporting structure of financial information used to assess performance and allocate resources:

- RGP – a global business consulting practice which operates primarily under the RGP brand and focuses on professional project consulting and staffing services in areas such as finance and accounting, business strategy and transformation, risk and compliance, and technology and digital;
- *taskforce* – a German professional services firm that operates under the *taskforce* brand. It utilizes a distinct independent contractor/partner business model and infrastructure and focuses on providing senior interim management and project management services to middle market clients in the German market;
- Sitrick – a crisis communications and public relations firm which operates under the Sitrick brand, providing corporate,

financial, transactional and crisis communication and management services.

RGP is our only reportable segment. *taskforce* and Sitrick do not individually meet the quantitative thresholds to qualify as reportable segments. Therefore, they are combined and disclosed as Other Segments. The following table presents our operating results by segment. All prior year periods presented below were recast to reflect the impact of the preceding segment changes.

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | **November 27, 2021** | **November 28, 2020** | **November 27, 2021** | **November 28, 2020** |
| | **(In thousands)** | | | |
| **Revenues:** | | | | |
| RGP | $ 189,400 | $ 142,002 | $ 362,333 | $ 279,111 |
| Other Segments | 10,838 | 11,220 | 21,045 | 21,456 |
| Total revenues | $ 200,238 | $ 153,222 | $ 383,378 | $ 300,567 |
| **Adjusted EBITDA:** | | | | |
| RGP | $ 32,121 | $ 18,401 | $ 61,177 | $ 34,859 |
| Other Segments | 1,232 | 1,251 | 2,238 | 2,417 |
| Reconciling items (1) | (8,405) | (7,257) | (16,115) | (14,664) |
| Total Adjusted EBITDA (2) | $ 24,948 | $ 12,395 | $ 47,300 | $ 22,612 |

*(1) Reconciling items are generally comprised of unallocated corporate administrative costs, including management and board compensation, corporate support function costs and other general corporate costs that are not allocated to segments.*
*(2) A reconciliation of the Company's net income to Adjusted EBITDA on a consolidated basis is presented above under "Non-GAAP Financial Measures—Reconciliation of GAAP to Non-GAAP Financial Measures."*

*Revenue by Segment*

***RGP –*** RGP revenue increased $47.4 million, or 33.4%, in the second quarter of fiscal 2022 compared to the second quarter of fiscal 2021, primarily as a result of a 28.8% increase in billable hours and a 1.7% increase in bill rate year-over-year. Through the first half of fiscal 2022, RGP revenue increased $83.2 million, or 29.8%, to $362.3 million compared to $279.1 million in the first half of fiscal 2021, primarily as a result of a 25.8% increase in billable hours and a 1.8% increase in bill rate year-over-year. Revenue from RGP generally represents more than 90% of total consolidated revenue.

The number of consultants on assignment under the RGP segment as of November 27, 2021 was 3,212 compared to 2,571 as of November 28, 2020.

***Other Segments –*** Other Segments' revenue decreased $0.4 million, or 3.4% in the second quarter of fiscal 2022 compared to the second quarter of fiscal 2021, primarily due to a $0.4 million decrease in *taskforce* revenue, as the local economic environment continued to be challenged by the Pandemic. Through the first half of fiscal 2022, revenue from Other Segments decreased $0.4 million or 1.9%, to $21.1 million from $21.5 million in the first half of fiscal 2021, primarily due to a $0.3 million decrease in Sitrick revenue as a result of slower business development during the Pandemic.

The number of consultants on assignment under Other Segments as of November 27, 2021 was 107 compared to 98 as of November 28, 2020.

*Adjusted EBITDA by Segment*

***RGP –*** RGP Adjusted EBITDA increased $13.7 million, or 74.6%, to $32.1 million in the second quarter of fiscal 2022, compared to $18.4 million in the second quarter of fiscal 2021. This was primarily driven by an increase in revenue of $47.4 million, which was partially offset by an increase in the cost of services of $26.8 million. Additionally, SG&A costs attributed to RGP increased $5.7 million in the second quarter fiscal 2022 compared to the second quarter fiscal 2021 primarily due to the increase in bonuses and commissions of $5.9 million as a result of higher revenue and profitability achieved, an increase in bad debt expense of $0.4 million, and an increase in foreign currency transaction loss of $0.3 million, partially offset by savings in management compensation of $0.8 million and occupancy costs of $0.5 million. For the second quarter of fiscal 2022, material costs and expenses attributable to the RGP segment that are not included in computing the segment measure of adjusted EBITDA included depreciation and amortization of $1.9 million and stock-based compensation of $1.9 million.

RGP Adjusted EBITDA increased $26.3 million or 75.5% to $61.2 million in the first half of fiscal 2022, compared to $34.9 million in the first half of fiscal 2021. The increase was primarily attributable to the $83.2 million increase in revenue partially offset by the increase in the cost of services of $49.1 million. Additionally, SG&A costs attributed to RGP increased $5.9 million in the first half of fiscal 2022 as compared to the first half of fiscal 2021 primarily due to the increase in bonuses and commissions of $8.3 million as a result of higher revenue and profitability achieved, an increase in bad debt expense of $0.6 million, and an increase in foreign currency transaction loss of $0.2 million, partially offset by savings in management compensation of $2.6 million and occupancy costs of $1.3 million. For the first six months of fiscal 2022, the material costs and expenses attributable to the RGP segment that are not included in computing the segment measure of adjusted EBITDA included depreciation and amortization of $3.8 million and stock-based compensation of $3.4 million.

The trend in revenue, cost of services, and other costs and expenses at RGP year-over-year are generally consistent with those at the consolidated level, as discussed above, with the exception that the SG&A used to derive segment Adjusted EBITDA does not include certain unallocated corporate administrative costs.

***Other Segments –*** Other Segments' Adjusted EBITDA was $1.2 million for the second quarter of fiscal 2022, compared to $1.3 million in the prior year quarter, primarily attributable to the $0.4 million decrease in revenue partially offset by the $0.3 million decrease in the cost of services. For the second quarter of fiscal 2022, the material costs and expenses attributable to the Other Segments that are not included in computing the segment measure of adjusted EBITDA included depreciation and amortization of $0.1 million, and stock-based compensation of $0.1 million.

Other Segments' Adjusted EBITDA declined $0.2 million, or 7.4%, to $2.2 million in the first six months of fiscal 2022 compared to the same period in fiscal 2021. While management compensation and bonus and commissions improved $0.6 million year-over-year, the savings were more than offset by the decrease in legal costs recovery of $0.9 million, as discussed in the consolidated operating results above, all of which was attributable to the Other Segments. For the first six months of fiscal 2022, the material costs and expenses attributable to the Other Segments that are not included in computing the segment measure of adjusted EBITDA included depreciation and amortization of $0.3 million and stock-based compensation of $0.2 million.

**Liquidity and Capital Resources**

Our primary sources of liquidity are cash provided by our operations, our $175.0 million senior secured revolving credit facility, as further discussed below, and, historically, to a lesser extent, stock option exercises and ESPP purchases. On an annual basis, we have generated positive cash flows from operations since inception. Our ability to generate positive cash flow from operations in the future will be, at least in part, dependent on global economic conditions and our ability to remain resilient during economic downturns. As of November 27, 2021, we had $70.6 million of cash and cash equivalents, including $29.6 million held in international operations.

Prior to November 12, 2021, we had a $120.0 million secured revolving credit facility with Bank of America (the "Previous Credit Facility), which was scheduled to mature on October 17, 2022. On November 12, 2021, the Company and Resources Connection LLC and all domestic subsidiaries of the Company as guarantors, entered into a credit agreement with the lenders' party thereto and Bank of America, N.A. as administrative agent (the "New Credit Agreement"), and concurrently terminated the Previous Credit Facility. The New Credit Agreement provides for a $175.0 million senior secured revolving loan (the "New Credit Facility"), which includes a $10.0 million sublimit for the issuance of standby letters of credit and a swingline sublimit of $20.0 million. The New Credit Facility also includes an option to increase the amount of the revolving loan up to an additional $75.0 million, subject to the terms of the agreement. The New Credit Facility matures on November 12, 2026.

Borrowings under the New Credit Facility bear interest at a rate per annum of either, at the Company's election, (i) Term SOFR (as defined in the New Credit Agreement) plus a margin ranging from 1.25% to 2.00% or (ii) the Base Rate (as defined in the New Credit Agreement), plus a margin of 0.25% to 1.00% with the applicable margin depending on the Company's consolidated leverage ratio. In addition, the Company pays an unused commitment fee on the average daily unused portion of the New Credit Facility, which ranges from 0.20% to 0.30% depending upon on the Company's consolidated leverage ratio.

The New Credit Facility is available for working capital and general corporate purposes, including potential acquisitions, dividend distribution and stock repurchases. Additional information regarding the New Credit Facility is included in Note 8 – *Long-Term Debt* in the Notes to consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

As of November 27, 2021, we had $44.0 million outstanding under the New Credit Facility. We borrowed an additional $20.0 million under the New Credit Facility on December 6, 2021 to finance the repurchase of 1,155,236 share of our common stock on December 8, 2021 from Dublin Acquisition, LLC (the "Seller") pursuant to a Stock Purchase Agreement, dated December 3, 2021, entered into between the Company and the Seller. See Note 15 – *Subsequent Events* in the Notes to consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

In addition to cash needs for ongoing business operations, from time to time, we have strategic initiatives that could generate significant additional cash requirements. Our initiative to upgrade our technology platform, as described in "Fiscal 2022 Strategic Focus

Areas" above, requires significant investments over multiple years. As of November 27, 2021, we have non-cancellable purchase obligations totaling $11.4 million, which are payable as follows pursuant to the licensing arrangement we have entered into in connection with this initiative: $1.5 million due before the end of fiscal 2022, $3.4 million due during fiscal 2023 and fiscal 2024, $3.6 million due during fiscal 2025 and 2026, and $2.9 million due thereafter. While we are still in the early stage of assessing the total amount of the investments required for this multi-year initiative, we current expect to incur total investments of $20.0 million to $25.0 million through the completion of the system implementation. Such costs primarily include technology licensing fees, third-party consulting fees, and costs associated with dedicated internal resources. The exact amount and timing will depend on a number of variables, including progress made on the implementation. We believe our current cash, ongoing cash flows from our operations and funding available under our New Credit Facility will provide sufficient funds for this initiative.

Through the second quarter of fiscal 2022, we have substantially completed our restructuring initiatives globally. We do not expect future cash requirements for restructuring initiatives to be material. Additionally, during the three months ended November 27, 2021, we made the final cash earn-out payment of $7.0 million related to the acquisition of Veracity. We have no remaining contingent consideration liabilities as of November 27, 2021.

Other trends impacting our near-term liquidity include the deferral of payroll taxes under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and certain tax planning strategies implemented in the fourth quarter of fiscal 2021. The CARES Act includes provisions, among others, allowing deferral of the employer portion of the social security payroll taxes and addressing the carryback of net operating losses ("NOLs") for specific periods. We previously elected to defer the employer portion of social security payroll taxes through December 31, 2020 totaling $12.6 million. Subsequent to the deferral, we elected to make a partial repayment of $6.3 million in May 2021 and $2.3 million in December 2021. We expect to pay all remaining deferred payroll taxes in calendar 2022. In addition, as part of our tax planning strategies, we made certain changes related to the capitalization of fixed assets effective for fiscal 2021. This strategy allowed us to carry back the NOLs of fiscal 2021 to fiscal years 2016 to 2018. We recognized a discrete tax benefit of $12.8 million in fiscal 2021 and expect to file for a federal tax refund in the amount of $34.0 million before the end of fiscal 2022.

On a macro level, the Pandemic has created significant uncertainty in the global economy and capital markets, which could continue into the remainder of fiscal 2022 and beyond and impact our financial results and liquidity. A material adverse impact from the Pandemic could result in a need for us to raise additional capital or incur additional indebtedness. Our ongoing operations and growth strategy may require us to continue to make investments in critical markets and further expand our internal technology and digital capabilities. In addition, we may consider making strategic acquisitions or initiating additional restructuring initiatives, which could require significant liquidity. We believe that our current cash, ongoing cash flows from our operations and funding available under our New Credit Facility will be adequate to meet our working capital and capital expenditure needs for at least the next 12 months.

Beyond the next 12 months, if we require additional capital resources to grow our business, either organically or through acquisitions, we may seek to sell additional equity securities, increase use of our New Credit Facility, expand the size of our New Credit Facility or raise additional debt. In addition, if we decide to make additional share repurchases, we may fund these through existing cash balances or use of our New Credit Facility. The sale of additional equity securities or certain forms of debt financing could result in additional dilution to our stockholders. Our ability to secure additional financing in the future, if needed, will depend on several factors. These include our future profitability and the overall condition of the credit markets. Notwithstanding these considerations, we expect to meet our long-term liquidity needs with cash flows from operations and financing arrangements.

Other than as described herein, there have been no material changes to the contractual obligations described under the heading "Liquidity and Capital Resources" in Item 7 of Part II of our Fiscal Year 2021 Form 10-K.

*Operating Activities*

Operating activities for the six months ended November 27, 2021 provided cash of $3.5 million compared to $29.6 million for the six months ended November 28, 2020. In the first six months of fiscal 2022, cash provided by operations resulted from net income of $27.2 million and non-cash adjustments of $8.8 million. Additionally, for the first half of fiscal 2022, net unfavorable changes in operating assets and liabilities totaled $32.5 million. These changes primarily consisted of a $29.2 million increase in trade accounts receivable, mainly attributable to accelerated revenue growth throughout the first half of fiscal 2022, the final Veracity contingent consideration payment, of which $3.7 million was categorized as operating (the remaining $3.3 million of the total $7.0 million contingent consideration payment was categorized as financing cash flow) and a $3.1 million increase in income taxes receivable due to timing of estimated quarterly tax payments. In the first six months of fiscal 2021, cash provided by operations resulted from net income of $1.3 million and non-cash adjustments of $8.5 million. Additionally, for the first half of fiscal 2021 net favorable changes in operating assets and liabilities totaled $19.8 million, primarily consisting of a $13.5 million decrease in trade accounts receivable and a $3.8 million increase in accounts payable and accrued expenses.

*Investing Activities*

Net cash used in investing activities was $2.3 million for the first six months of fiscal 2022 compared to $1.6 million for the first six months of fiscal 2021. Net cash used in investing activities in both periods was primarily for the development of internal-use software and acquisition of property and equipment.

*Financing Activities*

Net cash used in financing activities totaled $3.3 million for the first six months of fiscal 2022 compared to $29.1 million in the comparable prior year period. Net cash used in financing activities during the first six months of fiscal 2022 consisted of cash dividend payments of $9.3 million, the final Veracity contingent consideration payment, of which $3.3 million was categorized as financing, and the Expertence contingent consideration payment of $0.3 million, partially offset by $0.4 million of net borrowing under both the Previous Credit Facility and the New Credit Facility, and $9.2 million in proceeds received from ESPP share purchases and employee stock option exercises. Net cash used in financing activities during the six months ended November 28, 2020 consisted of repayments under the Previous Credit Facility of $20.0 million, cash dividend payments of $9.1 million, and Veracity year one contingent consideration payment, of which $3.0 million was categorized as financing. These were partially offset by $3.0 million in proceeds received from ESPP share purchases and employee stock option exercises.

**ITEM 3. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.***

*Interest Rate Risk.* We are primarily exposed to market risks from fluctuations in interest rates and the effects of those fluctuations on the market values of our cash and cash equivalents and our borrowings under our Facility that bear interest at a variable market rate.

As of November 27, 2021, we had approximately $70.6 million of cash and cash equivalents and $44.0 million of borrowings under our New Credit Facility. The earnings on investments are subject to changes in interest rates; however, assuming a constant balance available for investment, a 10% decline in interest rates would reduce our interest income but would not have a material impact on our consolidated financial position or results of operations.

Additional information regarding the interest on our borrowings under the New Credit Facility is included in Note 8 – *Long-Term Debt* in the Notes to consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. We are exposed to interest rate risk related to fluctuations in the Term SOFR rate; at the level of borrowing as of November 27, 2021 of $44.0 million, a 10% change in interest rates would have resulted in approximately a $0.1 million change in annual interest expense.

*Foreign Currency Exchange Rate Risk.* For the six months ended November 27, 2021, approximately 18.3% of the Company’s revenues were generated outside of the U.S. As a result, our operating results are subject to fluctuations in the exchange rates of foreign currencies in relation to the U.S. dollar. Revenues and expenses denominated in foreign currencies are translated into U.S. dollars at the monthly average exchange rates prevailing during the period. Thus, as the value of the U.S. dollar fluctuates relative to the currencies in our non-U.S. based operations, our reported results may vary.

Assets and liabilities of our non-U.S. based operations are translated into U.S. dollars at the exchange rate effective at the end of each monthly reporting period. Approximately 58.0% of our balances of cash and cash equivalents as of November 27, 2021 were denominated in U.S. dollars. The remaining amount of approximately 42.0% was comprised primarily of cash balances translated from Euros, Japanese Yen, Chinese Yuan, Mexican Pesos and Canadian Dollar. The difference resulting from the translation each period of assets and liabilities of our non-U.S. based operations is recorded as a component of stockholders’ equity in accumulated other comprehensive income or loss.

Although we intend to monitor our exposure to foreign currency fluctuations, we do not currently use financial hedging techniques to mitigate risks associated with foreign currency fluctuations including in a limited number of circumstances when we may be asked to transact with a client in one currency but are obligated to pay our consultant in another currency. We cannot provide assurance that exchange rate fluctuations will not adversely affect our financial results in the future.

**ITEM 4. *CONTROLS AND PROCEDURES.***

As required by Rule 13a-15(b) under the Exchange Act, the Company carried out an evaluation, under the supervision and with the participation of the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) as of November 27, 2021. Based on that evaluation, the Company’s Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective as of November 27, 2021. There was no change in the Company’s internal control over financial reporting, as such term is defined in Rule 13a-15(f) promulgated under the Exchange Act, during the Company’s quarter ended November 27, 2021 that materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

**PART II—OTHER INFORMATION**

**ITEM 1A. *RISK FACTORS*.**

Other than as set forth below, there have been no material changes in our risk factors from those disclosed in Part 1, Item 1A of our Fiscal Year 2021 Form 10-K, which was filed with the Securities and Exchange Commission on July 23, 2021. See "Risk Factors" in Item 1A of Part I of such Fiscal Year 2021 Form 10-K for a complete description of the material risks we face.

***Our New Credit Facility bears a variable rate of interest that is based on the Secured Overnight Financing Rate ("SOFR") which may have consequences for us that cannot be reasonably predicted and may adversely affect our liqu***

Borrowings under our New Credit Facility bear interest at a rate per annum of either, at our election, (i) Term SOFR (as defined in the New Credit Agreement) plus a margin or (ii) the Base Rate (as defined in the New Credit Agreement), plus a margin with the applicable margin depending on our consolidated leverage ratio. Although SOFR has been endorsed by the Alternative Reference Rates Committee ("ARRC") as its preferred replacement for the London Interbank Offered Rate ("LIBOR"), it remains uncertain whether or when SOFR or other alternative reference rates will be widely accepted by lenders as the replacement for LIBOR. This may, in turn, impact the liquidity of the SOFR loan market, and SOFR itself. Since the initial publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in comparable benchmark or market rates, and SOFR over time may bear little or no relation to the historical actual or historical indicative data. Additionally, our New Credit Agreement includes a credit adjustment on SOFR due to LIBOR representing an unsecured lending rate while SOFR representing a secured lending rate. It is possible that the volatility of and uncertainty around SOFR as a LIBOR replacement rate and the applicable credit adjustment would result in higher borrowing costs for us, and would adversely affect our liquidity, financial condition, and earnings.

**ITEM 6. *EXHIBITS*.**

The exhibits listed in the Exhibit Index are filed with, or incorporated by reference in, this Report.

**EXHIBIT INDEX**

| Exhibit Number | Description of Document |
|---|---|
| 3.1 | Amended and Restated Certificate of Incorporation of Resources Connection, Inc. (incorporated by reference to Exhibit 10.21 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 30, 2004). |
| 3.2 | Third Amended and Restated Bylaws, as amended (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on August 31, 2015). |
| 10.1* | Stock Purchase Agreement dated December 3, 2021 by and between Resources Connection, Inc. and Dublin Acquisition, LLC |
| 10.2+* | Form of Notice of Grant and Terms and Conditions of Restricted Stock Unit Award under the Resources Connection, Inc. 2020 Performance Incentive Plan |
| 10.3+* | Form of Notice of Grant and Terms and Conditions of Performance Stock Unit Award under the Resources Connection, Inc. 2020 Performance Incentive Plan |
| 10.4+* | Form of Notice of Grant and Terms and Conditions of Restricted Stock Award under the Resources Connection, Inc. 2020 Performance Incentive Plan |
| 10.5 | Credit Agreement, dated as of November 12, 2021, among Resources Connection, Inc., Resources Connection LLC, as borrowers, Resources Healthcare Solutions LLC, RGP Property LLC, Sitrick Group, LLC, Veracity Consulting Group, LLC, and taskforce – Management on Demand, LLC, as guarantors, and Bank of America, N.A., as administrative agent for the lenders (Filed as Exhibit 10.1 to the Company's Current Report on Form 8-K with the Securities and Exchange Commission on November 16, 2021). |
| 10.6 | Security and Pledge Agreement, dated as of November 12, 2021, among Resources Connection, Inc., Resources Connection LLC, as borrowers, Resources Healthcare Solutions LLC, RGP Property LLC, Sitrick Group, LLC, Veracity Consulting Group, LLC, and taskforce – Management on Demand, LLC, as obligors, and Bank of America, N.A., as administrative agent for the lenders (Filed as Exhibit 10.2 to the Company's Current Report on Form 8-K with the Securities and Exchange Commission on November 16, 2021). |
| 31.1* | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1** | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2** | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101* | The following unaudited interim consolidated financial statements from the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 27, 2021, formatted in Inline XBRL: (i) Consolidated Statements of Operations, (ii) Consolidated Balance Sheets, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Stockholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements. |
| 104* | Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101) |

* Filed herewith.
** Furnished herewith.
\+ Indicates a management contract or compensatory plan or arrangement.

## SIGNATURES

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

RESOURCES CONNECTION, INC.

Date: January 6, 2022

/s/ KATE W. DUCHENE

Kate W. Duchene
President, Chief Executive Officer
*(Principal Executive Officer)*

Date: January 6, 2022

/s/ JENNIFER RYU

Jennifer Ryu
Executive Vice President and Chief Financial Officer
*(Principal Financial Officer and Principal Accounting Officer)*

# STOCK PURCHASE AGREEMENT

This **STOCK PURCHASE AGREEMENT** (this "**Agreement**") is made and entered into as of this December 3, 2021, by and between Resources Connection, Inc., a Delaware corporation (the "**Company**"), and Dublin Acquisition, LLC ("**Seller**").

**W I T N E S S E T H:**

**WHEREAS**, Seller directly owns an aggregate of 1,155,236 shares of the issued and outstanding common stock, par value $0.01 per share of the Company (the "**Company Shares**"); and

**WHEREAS,** Seller desires to sell to the Company, and the Company desires to purchase, free and clear of any and all Liens (as defined below) from Seller 1,155,236 Company Shares for an aggregate purchase price of the lower of (i) the 10-day volume-weighted average price for the period ending on Friday December 3, 2021 or (ii) the closing price on December 3, 2021 (the lower of (i) and (ii), the "**Purchase Price**"), as set forth herein.

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual covenants, agreements, representations and warranties contained herein the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## ARTICLE I
## PURCHASE AND SALE; CLOSING

**1.1 Purchase and Sale**. Upon the terms and subject to the conditions of this Agreement, Seller agrees to sell, convey, assign, transfer and deliver to the Company, and the Company agrees to purchase from Seller, 1,155,236 Company Shares (the "**Purchased Shares**"), free and clear of any and all mortgages, pledges, encumbrances, liens, security interests, options, charges, claims, deeds of trust, deeds to secure debt, title retention agreements, rights of first refusal or offer, limitations on voting rights, proxies, voting agreements, limitations on transfer (other than those imposed under applicable securities laws) or other agreements or claims of any kind or nature whatsoever (collectively, "**Liens**").

**1.2 Purchase Price**. Upon the terms and subject to the conditions of this Agreement, in consideration of the aforesaid sale, conveyance, assignment, transfer and delivery to the Company of the Purchased Shares, the Company shall pay to Seller the Purchase Price in cash.

**1.3 Expenses**. Except as expressly set forth in this Agreement, all fees and expenses incurred by each party hereto in connection with the matters contemplated by this Agreement shall be borne by the party incurring such fee or expense, including without limitation the fees and expenses of any investment banks, attorneys, accountants or other experts or advisors retained by such party.

**1.4 The Closing**. The consummation of the transactions contemplated by this Agreement (the "**Closing**") shall take place on December 8, 2021 (the "**Closing Date**"), provided that the obligations of the Seller and the Company to consummate the transactions contemplated by this Agreement shall be conditioned upon there being no injunction or other order, judgment, law, regulation, decree or ruling or other legal restraint or prohibition having been issued, enacted or promulgated by a court or other governmental authority of competent jurisdiction that would have the effect of prohibiting or preventing the consummation of the transactions contemplated hereunder.

**1.5 Closing Deliveries**.

(a) At or prior to the Closing Date, in accordance with Section 1.1 hereof, Seller shall deliver or cause to be delivered to Company at an address to be designated in writing by the Company, the certificates, if any, representing the Purchased Shares to be purchased on the Closing Date, duly and validly endorsed or accompanied by stock powers duly and validly executed in blank and sufficient to convey to the Company good, valid and marketable title in and to such Purchased Shares, free and clear of any and all Liens.

(b) On the Closing Date, upon confirmation that all documents have been delivered in accordance with Section 1.1 and Section 1.5(a) hereof, the Company shall deliver or cause to be delivered to Seller the Purchase Price, by wire transfer of immediately available funds to Seller, to such account(s) as have been specified by Seller in writing prior to such Closing Date.

(c) Each party hereto further agrees to execute and deliver such other instruments as shall be reasonably requested by a party hereto to consummate the transactions contemplated by this Agreement.

## ARTICLE II
## COVENANTS

**2.1** **Public Announcement; Public Filings**. Upon execution of this Agreement, the Company may issue a press release or current report on Form 8-K describing the transactions contemplated herein. Unless previously approved by Seller, such press release or public disclosure shall not contain any statements regarding Seller or its Affiliates other than as may be necessary to describe such transactions. No party hereto nor any of its respective Affiliates shall issue any press release or make any public statement relating to the transactions contemplated herein (including, without limitation, any statement to any governmental or regulatory agency or accrediting body) that is inconsistent with, or otherwise contrary to, the statements in the press release or public disclosure.

**2.2** **Confidentiality**. Seller shall not disclose and shall maintain the confidentiality of (and shall cause their respective Affiliates, directors, officers and employees to not disclose and to maintain the confidentiality of) any non-public information which relates to the business, legal or financial affairs of the Company (the "**Confidential Information**") provided to Seller in advance of or in connection with this Agreement. Seller shall use at least the same degree of care to safeguard and to prevent the disclosure, publication or dissemination of the Confidential Information as Seller employs to avoid unauthorized disclosure, publication or dissemination of its own information of a similar nature, but in no case less than reasonable care. In the event that a Seller (or any Affiliate, director, officer or employee thereof) is requested or required (by oral question, interrogatory, request for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information, to the extent Seller is legally permitted to do so, Seller shall (a) notify the Company promptly so that the Company may seek a protective order or other appropriate remedy and (b) cooperate with the Company, at the Company's expense, in any effort the Company undertakes to obtain a protective order or other remedy. In the event that no such protective order or other remedy is obtained, the applicable party shall disclose to the person compelling disclosure only that portion of the Confidential Information which such party is advised by counsel is legally required and shall exercise reasonable efforts to obtain reliable assurance that confidential treatment is accorded the Confidential Information so disclosed.

## ARTICLE III
## REPRESENTATIONS AND WARRANTIES OF THE SELLER

Seller hereby represents and warrants to the Company as follows:

**3.1** **Existence; Authority**. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller has all requisite competence, power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

**3.2** **Enforceability**. This Agreement has been duly and validly executed and delivered by Seller and, assuming due and valid authorization, execution and delivery by the Company, this Agreement constitutes legal, valid and binding obligations of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be affected by bankruptcy, insolvency, moratorium and other similar laws relating to or affecting creditors' rights generally and general equitable principles. Seller is not required to obtain the approval of any person (other than its direct or indirect parents) or governmental agency or organization to effect the sale of the Purchased Shares.

**3.3** **Ownership; Title**. Seller is the beneficial owner of the Purchased Shares, free and clear of any and all Liens, and good, valid and marketable title to such Purchase Shares will effectively vest in the Company at the Closing. Seller has full power and authority to transfer full legal ownership of its Purchased Shares to the Company.

**3.4** **Absence of Litigation**. There is no suit, action, investigation or proceeding pending or, to the knowledge of Seller, threatened against Seller or its direct or indirect parents that could impair the ability of Seller to perform its obligations hereunder or to consummate the transactions contemplated hereby.

**3.5** **Tax Consequences**. Seller has reviewed with its own tax and other advisors the federal, state, foreign and local tax consequences of the sale of the Shares hereunder and the transactions contemplated hereby. Seller is relying solely on such advisors and not on any statements or representations of the Company or any of its officers, directors, stockholders, affiliates or agents. Seller understands that it (and not the Company) shall be solely responsible for its own tax liability that may arise as a result of the transactions contemplated hereby.

**3.6** **Consideration**. The Purchase Price provides good, valuable, and sufficient consideration to Seller for every promise, duty, agreement, obligation, and right contained in this Agreement.

**3.7** **No Company Representations or Agreements**. Seller acknowledges and agrees that the Company has not made any representation, warranty, covenant or agreement, whether express or implied, of any kind or character with respect to the subject matter of this Agreement, except as expressly set forth in this Agreement.

**3.8** **Other Acknowledgments**.

(a) Seller hereby represents and acknowledges that it is a sophisticated investor and that it knows that the Company may have material Confidential Information concerning the Company and its condition (financial and otherwise), results of operations, businesses, properties, plans and prospects and that such information could be material to Seller's decision to sell the Purchased Shares or otherwise materially adverse to Seller's interests. Seller acknowledges and agrees that the Company shall have no obligation to disclose to it any such information and hereby waives and releases, to the fullest extent permitted by law, any and all claims and causes of action it has or may have against the Company and their respective Affiliates, officers, directors, employees, agents and representatives based upon, relating to or arising out of nondisclosure of such information.

(b) Seller further represents that it has adequate information concerning the business and financial condition of the Company to make an informed decision regarding the sale of the Purchased Shares and has, independently and without reliance upon the Company, made its own analysis and decision to sell the Purchased Shares. With respect to legal, tax, accounting, financial and other considerations involved in the transactions contemplated by this Agreement, including the sale of the Purchased Shares, Seller is not relying on the Company (or any agent or representative thereof). Seller has carefully considered and, to the extent it or he believes such discussion necessary, discussed with professional legal, tax, accounting, financial and other advisors the suitability of the transactions contemplated by this Agreement, including the sale of the Purchased Shares. Seller acknowledges that none of the Company or any of their respective directors, officers, subsidiaries or Affiliates has made or makes any representations or warranties, whether express or implied, of any kind except as expressly set forth in this Agreement.

(c) Seller acknowledges and understands that the Company may pursue opportunities or disclose results or other information that may increase the value of the Purchased Shares. Nevertheless, Seller is selling the Purchased Shares based upon its own free will with full understanding of the foregoing. Neither the Company nor any of its officers, directors, stockholders, affiliates or agents has made any representation to Seller about the advisability of this decision or the potential future value of the Purchased Shares. Seller agrees that neither the Company nor any of such persons is under any obligation to disclose to it any information or opinion they may have about the potential future value of the Company's capital stock, even if such information is material.

(d) Seller represents, that (i) such Seller is an "accredited investor" as defined in Rule 501 promulgated under the Securities Act of 1933, as amended, and (ii) the sale of the applicable Purchased Shares by such Seller (a) was privately negotiated in an independent transaction and (b) does not violate any rules or regulations applicable to such Seller.

## ARTICLE IV
## REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Seller as follows:

**4.1** **Existence; Authority**. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has all requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement.

**4.2** **Enforceability**. This Agreement has been duly and validly executed and delivered by the Company and, assuming due and valid authorization, execution and delivery by Seller, this Agreement constitutes the legal, valid and binding obligations of the Company, enforceable against it in accordance with its terms, except as such enforceability may be affected by bankruptcy, insolvency, moratorium and other similar laws relating to or affecting creditors' rights generally and general equitable principles. The Company is not required to obtain the approval of any person or governmental agency or organization to effect the purchase of the Purchased Shares. The purchase of the Purchased Shares by the Company (i) was privately negotiated in an independent transaction and (ii) does not violate any rules or regulations applicable to the Company.

**4.3** **Absence of Litigation**. There is no suit, action, investigation or proceeding pending or, to the knowledge of the Company, threatened against the Company that could impair the ability of the Company to perform its obligations hereunder or to consummate the transactions contemplated hereby.

## ARTICLE V
## MISCELLANEOUS

**5.1** **Survival**. Each of the representations, warranties, covenants and agreements in this Agreement or pursuant hereto shall survive the Closing. Notwithstanding any knowledge of facts determined or determinable by any party by investigation, each party shall have the right to fully rely on the representations, warranties, covenants and agreements of the other parties contained in this Agreement or in any other documents or papers delivered in connection herewith. Each representation, warranty, covenant and agreement of the parties contained in this Agreement is independent of each other representation, warranty, covenant and agreement. Except as expressly set forth in this Agreement, no party has made any representation warranty, covenant or agreement to the other in relation to any subject matter contemplated in this Agreement, including the transactions contemplated hereby.

**5.2** **Notices**. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given if so given): (i) if by hand delivery, then upon such delivery; (ii) if by e-mail, then upon the same day that such e-mail is sent (unless sent on a day that is not a business day or after 5:00pm, Los Angeles time, on a business day, in which case notice shall be deemed to have been duly given on the next business day); or (iii) if by mail (registered or certified, postage prepaid, return receipt requested), then upon receipt (or if addressee refuses to claim or accept such communication, the date delivery is first attempted by such mail carrier), in each case, by delivery to the respective parties hereto at the addresses below their respective signatures.

**5.3** **Certain Definitions**. As used in this Agreement, (a) the term “Affiliate” shall have the meaning set forth in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, and shall include persons who become Affiliates of any person subsequent to the date hereof; and (b) the Company and Seller are referred to herein individually as a “party” and collectively as “parties.”

**5.4** **Specific Performance**. The Company, on the one hand, and Seller, on the other, acknowledge and agree that the other would be irreparably injured by a breach of this Agreement and that money damages are an inadequate remedy for an actual or threatened breach of this Agreement. Accordingly, the parties agree to the granting of specific performance of this Agreement and injunctive or other equitable relief as a remedy for any such breach or threatened breach, without proof of actual damages, and further agree to waive any requirement for the securing or posting of any bond in connection with any such remedy. Such remedy shall not be deemed to be the exclusive remedy for a breach of this Agreement, but shall be in addition to all other remedies available at law or in equity.

**5.5** **No Waiver**. Any waiver by any party hereto of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Agreement. The failure of a party hereto to insist upon strict adherence to any term of this Agreement on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

**5.6** **Severability**. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding. The parties agree that the court making any such determination of invalidity or unenforceability shall have the power to reduce the scope, duration or area of, delete specific words or phrases in or replace any such invalid or unenforceable provision with one that is valid and enforceable and that comes closest to expressing the intention of such invalid or unenforceable provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

**5.7** **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that this Agreement (and any of the rights, interests or obligations of any party hereunder) may not be assigned by any party without the prior written consent of the other parties hereto (such consent not to be unreasonably withheld). Any purported assignment of a party’s rights under this Agreement in violation of the preceding sentence shall be null and void.

**5.8** **Entire Agreement; Amendments**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and, except as expressly set forth herein, is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder. This Agreement may be amended only by a written instrument duly executed by the parties hereto or their respective permitted successors or assigns.

**5.9** **Headings**. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

**5.10** **Governing Law**. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without giving effect to choice of law principles thereof that would cause the application of the laws of any other jurisdiction. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY.

**5.11** **Arbitration**. If either party believes in good faith that the other has breached any of the provisions or obligations in this Agreement, such party shall promptly provide to the other party written notice of such alleged breach with a reasonable description thereof, but no later than thirty (30) days after such party becomes aware of such alleged breach. If the party cures such alleged breach to the reasonable satisfaction of the other party within thirty (30) days after delivery of such written notice, or the parties have otherwise not fully resolved such matter to their mutual satisfaction within such thirty (30) days, then either party may submit such matter to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association ("**AAA**") by delivering notice of arbitration to the other party. Each party shall, within twenty (20) days after the delivery of the initiating notice, choose one arbitrator, and the two arbitrators chosen shall, within thirty (30) days after the mailing of the initiating notice, select a third arbitrator. A person shall be ineligible to be the neutral arbitrator if he or she (or any of his or her affiliates) is an affiliate of, vendor or service provider to, or customer of, any party or any of any party's affiliates. The arbitration shall be held within ninety (90) days after the mailing of the initiating notice, at a date, time and place determined (subject to this Agreement) by majority vote of the arbitrators. Judgment upon any award rendered in such arbitration will be binding on all of the parties hereto and may be entered in any court having jurisdiction thereof. There shall be limited discovery prior to the arbitration hearing, as may be requested by any either party to the arbitration and as to which the arbitrator has determined there is good cause; provided, however that in no event shall such limited discovery exceed the following: (i) exchange of witness lists and copies of documentary evidence and documents relating to or arising out of the issues to be arbitrated, and (ii) depositions of any party witnesses or such other depositions as the arbitrator may believe are necessary upon a showing of good cause. Depositions shall be conducted in accordance with the Delaware Code of Civil Procedure. The arbitrator shall be required to provide in writing to the parties the basis for the award or order of such arbitrator. In any arbitration hereunder, the parties shall share the arbitrator's fee and any filing fees equally. The arbitrators shall have the authority to award attorney fees, witness fees and other costs and expenses of the arbitration to the prevailing party.

**5.12** **Counterparts; Facsimile**. This Agreement may be executed in counterparts, including by facsimile or PDF electronic transmission, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

**5.13** **Further Assurances**. Upon the terms and subject to the conditions of this Agreement, each of the parties hereto agrees to execute such additional documents, to use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate or make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement.

**5.14** **Interpretation**. The parties acknowledge and agree that this Agreement has been negotiated at arm's length and among parties equally sophisticated and knowledgeable in the matters covered hereby. Accordingly, any rule of law or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is hereby waived.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Stock Purchase Agreement to be duly executed, all as of the date first above written.

**RESOURCES CONNECTION, INC.**
a Delaware corporation

By: /s/ Kate W. Duchene
Name: Kate W. Duchene
Title: President and Chief Executive Officer

Address: 17101 Armstrong Ave, Suite 100
Irvine, CA 92614

with a copy to:
Lauren A. Elkerson, Chief Legal Officer

*[signature page to Stock Purchase Agreement]*

IN WITNESS WHEREOF, the parties hereto have caused this Stock Purchase Agreement to be duly executed, all as of the date first above written.

**SELLER**

**DUBLIN ACQUISITION, LLC**

By: /s/ Jonathan Rosenthal
Name: Jonathan Rosenthal
Title: Managing Member

*[signature page to Stock Purchase Agreement]*

**RESOURCES CONNECTION, INC.**
**2020 PERFORMANCE INCENTIVE PLAN**

**NOTICE OF GRANT OF RESTRICTED STOCK UNIT AWARD**

| | |
|---|---|
| **Award Recipient:** | [________] |
| **Grant Date:** | [________] |
| **Total Number of Stock Units Granted:**[1] | [_______] |
| **Vesting Schedule:**[2] | 25% of the Stock Units subject to the award shall vest on each of the first, second, third and fourth anniversaries of the Grant Date, subject to the recipient's continued employment or service through the applicable vesting date. |

Congratulations! Effective on the grant date set forth above (the "**Grant Date**"), you (the award recipient named above, the "**Participant**") have been granted restricted stock units (the "**Stock Units**") of Resources Connection, Inc. (the "**Corporation**"). The total number of Stock Units subject to your award is set forth above.

The Stock Units were granted under the Resources Connection, Inc. 2020 Performance Incentive Plan (the "**Plan**"). Your award is subject to the terms and conditions set forth in this Notice of Grant of Restricted Stock Unit Award (this "**Notice**"), the attached Terms and Conditions of Restricted Stock Unit Award (the "**Terms**"), and the Plan. The Terms and the Plan are each incorporated into and made a part of this Notice by this reference. This Notice, together with the Terms, is referred to as the "**Award Agreement**" applicable to your award. By accepting the award, you are agreeing to the terms of the award as set forth in this Award Agreement and in the Plan. You should read the Plan, the Prospectus for the Plan, and the Award Agreement (including the Terms).

A copy of the Plan, the Prospectus for the Plan, and the Terms have been provided to you. If you need another copy of these documents, or if you would like to confirm that you have the most recent version, please contact the Corporation's Stock Plan Administrator.

**RESOURCES CONNECTION, INC.** **ACCEPTED AND AGREED BY THE PARTICIPANT**

By: ____________________ By: ____________________
Name: Name:
Title:



1 Subject to adjustment under Section 7.1 of the Plan.
2 Subject to termination pursuant to Section 6 of the Terms.

**RESOURCES CONNECTION, INC.**
**2020 PERFORMANCE INCENTIVE PLAN**

**TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT AWARD**

**1.** **General**. These Terms and Conditions of Restricted Stock Unit Award (these "**Terms**") apply to a particular grant of restricted stock units (the "**Award**") under the Resources Connection, Inc. 2020 Performance Incentive Plan (the "**Plan**") if incorporated by reference in the Notice of Grant of Restricted Stock Unit Award (the "**Notice**") corresponding to that particular award. Capitalized terms used in these Terms are used as defined in the Notice or, if not defined in the Notice, as defined in the Plan.

The Award has been granted to the Participant in addition to, and not in lieu of, any other form of compensation otherwise payable or to be paid to the Participant.

As used in this Award Agreement, the term "stock unit" means a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding share of the Corporation's Common Stock (subject to adjustment as provided in Section 7.1 of the Plan) solely for purposes of the Plan and this Award Agreement. The Stock Units shall be used solely as a device for the determination of the payment to eventually be made to the Participant if such Stock Units vest pursuant to this Award Agreement. The Stock Units shall not be treated as property or as a trust fund of any kind.

**2.** **Vesting; Continuance of Employment or Service Required; No Employment or Service Commitment**. Subject to Section 6 below, the Stock Units subject to the Award shall vest and become nonforfeitable in accordance with the Vesting Schedule set forth in the Notice. The Vesting Schedule requires continued employment or service through each applicable vesting date as a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Award Agreement. [Except as otherwise expressly provided in Section 6 in connection with certain terminations of the Participant's employment or services,] ***[For C Suite and those with equity acceleration]*** employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in Section 6 below.

Nothing contained in this Award Agreement (including the Notice) or the Plan constitutes an employment or service commitment by the Corporation or any of its Subsidiaries, affects the Participant's status as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by or in service to the Corporation or any of its Subsidiaries, interferes in any way with the right of the Corporation or any of its Subsidiaries at any time to terminate such employment or services, or affects the right of the Corporation or any of its Subsidiaries to increase or decrease the Participant's other compensation or benefits. Nothing in this Award Agreement (including the Notice), however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto.

**3.** **Dividend and Voting Rights**.

(a) **Limitations on Rights Associated with Units**. The Participant shall have no rights as a stockholder of the Corporation, no dividend rights (except as expressly provided in Section 3(b) with respect to dividend equivalent rights) and no voting rights, with respect to the

Stock Units and any shares of Common Stock underlying or issuable in respect of such Stock Units until such shares of Common Stock are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of such shares.

(b) **Dividend Equivalent Rights Distributions**. As of any date that the Corporation pays a cash dividend on its Common Stock, the Corporation shall credit the Participant with an additional number of Stock Units equal to (i) the per share cash dividend paid by the Corporation on its Common Stock on such date, multiplied by (ii) the total number of Stock Units subject to the Award (including any dividend equivalents previously credited hereunder, with such total number adjusted pursuant to Section 7.1 of the Plan) as of the related dividend payment record date, divided by (iii) the fair market value of a share of Common Stock on the date of payment of such dividend, with such number rounded down to the nearest whole Stock Unit. Any additional Stock Units credited pursuant to the foregoing provisions of this Section 3(b) shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Stock Units to which they relate. No crediting of Stock Units shall be made pursuant to this Section 3(b) with respect to any Stock Units which, as of such record date, have either been paid pursuant to Section 5 or terminated pursuant to Section 6.

**4. Restrictions on Transfer**. Neither the Award, nor any interest therein or amount or shares payable in respect thereof may be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily, except as set forth in Section 5.6 of the Plan.

**5. Timing and Manner of Payment of Stock Units**. On or as soon as administratively practical following each vesting of the applicable portion of the total Award pursuant to this Award Agreement or Section 7.2 of the Plan (and in all events not later than two and one-half months after the applicable vesting date), the Corporation shall deliver to the Participant a number of shares of Common Stock (either by delivering one or more certificates for such shares or by entering such shares in book entry form, as determined by the Corporation in its discretion) equal to the number of Stock Units subject to this Award that vest on the applicable vesting date, unless such Stock Units terminate prior to the given vesting date pursuant to Section 6. Fractional share interests will be disregarded. The Corporation's obligation to deliver shares of Common Stock or otherwise make payment with respect to vested Stock Units is subject to the condition precedent that the Participant or other person entitled under the Plan to receive any shares with respect to the vested Stock Units deliver to the Corporation any representations or other documents or assurances required pursuant to Section 8.1 of the Plan. The Participant shall have no further rights with respect to any Stock Units that are paid or that terminate pursuant to Section 6.

**6. Effect of Termination of Employment or Service.**

(a) General. [Except as otherwise expressly provided below in this Section 6,] ***[For C Suite and those with equity acceleration.]*** the Participant's Stock Units shall terminate to the extent such units have not become vested prior to the first date the Participant is no longer employed by or in service as a director or consultant to the Corporation or one of its Subsidiaries, regardless of the reason for the termination of the Participant's employment or service with the Corporation or a Subsidiary, whether with or without cause, voluntarily or involuntarily (the last day that the Participant is employed by or provides services as a director or consultant to the Corporation or a Subsidiary is referred to as the Participant's "**Severance Date**"). If any unvested Stock Units are terminated hereunder, such Stock Units shall automatically terminate and be cancelled as of the applicable Severance Date without payment of any consideration by the

Corporation and without any other action by the Participant, or the Participant's beneficiary or personal representative, as the case may be.

(b) Qualifying Termination. Subject to the release requirement set forth below, in the event of the Participant's Qualifying Termination (as defined below), any unvested Stock Units that are outstanding immediately prior to such Qualifying Termination (including any unvested dividend equivalents previously credited pursuant to this Award Agreement) shall vest as of the date of the Participant's Qualifying Termination. The benefits provided by this paragraph are subject to the condition precedent that the Participant (or, in the event of the Participant's death or Permanent Disability (as such term is defined in the Employment Agreement between the Corporation and the Participant (the "**Employment Agreement**")), the Participant's beneficiary or personal representative, as the case may be) provide the Corporation with, and the Participant (or the Participant's beneficiary or personal representative, as the case may be) does not revoke, a general release in the form provided by the Corporation. Such general release shall be provided to the Participant (or the Participant's beneficiary or personal representative, as the case may be) within seven days of the Qualifying Termination date and the Participant (or the Participant's beneficiary or personal representative, as the case may be) shall execute and deliver to the Corporation the general release within twenty-one days after the Corporation provides the release to the Participant (or forty-five days if such longer period of time is required to make the release maximally enforceable under applicable law). In the event this paragraph applies and the general release (and the expiration of any revocation rights provided therein or pursuant to applicable law) could become effective in one of two taxable years depending on when the Participant (or the Participant's beneficiary or personal representative, as the case may be) executes and delivers the release, any payment conditioned on the release shall not be made earlier than the first business day of the later of such two tax years.] ***[For C Suite.]***

For purposes of this Section 6, "**Qualifying Termination**" means a termination of the Participant's employment either (i) by the Corporation or one of its Subsidiaries without Cause, (ii) by the Participant for Good Reason, or (iii) due to the Participant's death or Permanent Disability (as such terms are defined in the Employment Agreement).] ***[For C Suite.]***

(b) [Qualifying Termination. Subject to the release requirement set forth below, in the event of the Participant's Qualifying Termination (as defined below), any unvested Stock Units that are outstanding immediately prior to such Qualifying Termination (including any unvested dividend equivalents previously credited pursuant to this Award Agreement) shall vest as the date of the Participant's Qualifying Termination. The benefits provided by this paragraph are subject to the condition precedent that the Participant provide the Corporation with, and the Participant does not revoke, a general release in the form provided by the Corporation. Such general release shall be provided to the Participant within seven days of the Qualifying Termination date and the Participant shall execute and deliver to the Corporation the general release within twenty-one days after the Corporation provides the release to the Participant (or forty-five days if such longer period of time is required to make the release maximally enforceable under applicable law). In the event this paragraph applies and the general release (and the expiration of any revocation rights provided therein or pursuant to applicable law) could become effective in one of two taxable years depending on when the Participant executes and delivers the release, any payment conditioned on the release shall not be made earlier than the first business day of the later of such two tax years.

For purposes of this Section 6, "**Qualifying Termination**" means a termination of the Participant's employment by the Corporation or one of its Subsidiaries without Cause (as such term is defined in the Offer Letter between the Participant and the Corporation or a Subsidiary, as applicable).] ***[For those other than C Suite with equity acceleration.]***

(b) [Reserved.] ***[For any other recipients.]***

**7. Adjustments Upon Specified Events; Change in Control Event**.

(a) Adjustments. Upon the occurrence of certain events relating to the Corporation's stock contemplated by Section 7.1 of the Plan, the Administrator shall make adjustments in accordance with such section in the number of Stock Units then outstanding and the number and kind of securities that may be issued in respect of the Award. No such adjustment shall be made with respect to any cash dividend for which dividend equivalents are credited pursuant to Section 3(b).

(b) [Change in Control Event. Upon the occurrence of a Change in Control Event (as defined below), any unvested Stock Units that are outstanding immediately prior to such Change in Control Event (including any unvested dividend equivalents previously credited pursuant to this Award Agreement) shall vest as the date of such Change in Control Event.] ***[For C Suite and those with equity acceleration.]***

[For purposes of this Section 6, "**Change in Control Event**" shall have the meaning given in Section 7.3 of the Corporation's 2004 Performance Incentive Plan.] ***[For CEO.]***

[For purposes of this Section 6, "**Change in Control Event**" means an event described in Section 7.2(a) of the Plan.] ***[For C Suite and those with equity acceleration, other than CEO.]***

(b) [Reserved.] ***[For any other recipients.]***

**8. Tax Withholding**. Subject to Section 8.1 of the Plan, upon any distribution of shares of Common Stock in respect of the Stock Units, the Corporation shall automatically reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of whole shares, valued at their then fair market value, to satisfy any withholding obligations of the Corporation or its Subsidiaries with respect to such distribution of shares. In the event that the Corporation cannot legally satisfy such withholding obligations by such reduction of shares, or in the event of a cash payment or any other withholding event in respect of the Stock Units, the Corporation (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to such distribution or payment.

**9. Notices**. Any notice to be given under the terms of this Award Agreement shall be in writing and addressed to the Corporation at its principal office to the attention of the Secretary, and to the Participant at the Participant's last address reflected on the Corporation's records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be given only when received, but if the Participant is no longer an employee of or in service to the Corporation, shall be deemed to have been duly given by the Corporation when enclosed in a properly sealed envelope addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government.

**10. <u>Plan</u>**. The Award and all rights of the Participant under this Award Agreement are subject to the terms and conditions of the provisions of the Plan, incorporated herein by reference. The Participant agrees to be bound by the terms of the Plan and this Award Agreement (including the Notice). The Participant acknowledges having read and understanding the Plan, the Prospectus for the Plan, and this Award Agreement (including the Notice). Unless otherwise expressly provided in other sections of this Award Agreement, provisions of the Plan that confer discretionary authority on the Board or the Administrator do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Administrator so conferred by appropriate action of the Board or the Administrator under the Plan <u>after</u> the date hereof.

**11. <u>Entire Agreement</u>**. This Award Agreement (including the Notice) and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Award Agreement (including the Notice) may be amended pursuant to Section 8.6 of the Plan. Such amendment must be in writing and signed by the Corporation. The Corporation may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

**12. <u>Limitation on Participant's Rights</u>**. Participation in the Plan confers no rights or interests other than as herein provided. This Award Agreement (including the Notice) creates only a contractual obligation on the part of the Corporation as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Corporation with respect to amounts credited and benefits payable, if any, with respect to the Stock Units, and rights no greater than the right to receive the Common Stock as a general unsecured creditor with respect to Stock Units, as and when payable hereunder.

**13. <u>Counterparts; Electronic Signature</u>**. This Award Agreement may be signed and/or transmitted in one or more counterparts by facsimile, e-mail of a .PDF, .TIF, .GIF, .JPG or similar attachment or using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties, it being understood that all parties need not sign the same counterpart, and that any such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party's hand-written signature. To the extent a party signs this Award Agreement using electronic signature technology, by clicking "sign," "accept," or similar acknowledgement of acceptance, such party is signing this Award Agreement electronically, and electronic signatures appearing on this Award Agreement (or entered as to this Award Agreement using electronic signature technology) shall be treated, for purposes of validity, enforceability and admissibility, the same as hand-written signatures.

**14. <u>Section Headings</u>**. The section headings of this Award Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

**15. <u>Governing Law</u>**. This Award Agreement (including the Notice) shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to conflict of law principles thereunder. You do not have to accept your award and it is not a condition of employment to accept your award. If you do not agree to the terms of your award, you should promptly return this Notice to the Corporation's Stock Plans Administrator indicating that you do not wish to accept the award and your Stock Units will be cancelled.

**16. Construction**. It is intended that the terms of the Award will not result in the imposition of any tax liability pursuant to Section 409A of the Code. This Award Agreement (including the Notice) shall be construed and interpreted consistent with that intent.

**17. Clawback Policy**. The Stock Units are subject to the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the Stock Units or any shares of Common Stock or other cash or property received with respect to the Stock Units (including any value received from a disposition of the shares acquired upon payment of the Stock Units).

**18. No Advice Regarding Grant**. The Participant is hereby advised to consult with his or her own tax, legal and/or investment advisors with respect to any advice the Participant may determine is needed or appropriate with respect to the Stock Units (including, without limitation, to determine the foreign, state, local, estate and/or gift tax consequences with respect to the Award). Neither the Corporation nor any of its officers, directors, affiliates or advisors makes any representation (except for the terms and conditions expressly set forth in this Award Agreement, including the Notice) or recommendation with respect to the Award. Except for the withholding rights set forth in Section 8 above, the Participant is solely responsible for any and all tax liability that may arise with respect to the Award.

**RESOURCES CONNECTION, INC.**
**2020 PERFORMANCE INCENTIVE PLAN**

**NOTICE OF GRANT OF PERFORMANCE STOCK UNIT AWARD**

| | |
|---|---|
| **Award Recipient:** | [________] |
| **Grant Date:** | [________] |
| **Target Number of Performance Stock Units Granted:**[1] | [_______] |
| **Vesting Schedule:**[2] | The PSUs are subject to performance- and time-based vesting requirements as set forth in the attached Appendix A. |

Congratulations! Effective on the grant date set forth above (the "**Grant Date**"), you (the award recipient named above, the "**Participant**") have been granted a target number of performance stock units ("**PSUs**," such target number "**Target PSUs**") of Resources Connection, Inc. (the "**Corporation**") as set forth above.

The PSUs were granted under the Resources Connection, Inc. 2020 Performance Incentive Plan (the "**Plan**"). Your award is subject to the terms and conditions set forth in this Notice of Grant of Performance Stock Unit Award (this "**Notice**"), the attached Terms and Conditions of Performance Stock Unit Award (the "**Terms**"), and the Plan. The Terms and the Plan are each incorporated into and made a part of this Notice by this reference. This Notice, together with the Terms, is referred to as the "**Award Agreement**" applicable to your award. By accepting the award, you are agreeing to the terms of the award as set forth in this Award Agreement and in the Plan. You should read the Plan, the Prospectus for the Plan, and the Award Agreement (including the Terms).

A copy of the Plan, the Prospectus for the Plan, and the Terms have been provided to you. If you need another copy of these documents, or if you would like to confirm that you have the most recent version, please contact the Corporation's Stock Plan Administrator.

**RESOURCES CONNECTION, INC.** **ACCEPTED AND AGREED BY THE PARTICIPANT**

By: ______________________ By: ______________________
Name: Name:
Title:



1 Subject to adjustment under Section 7.1 of the Plan.
2 Subject to termination pursuant to Section 6 of the Terms.

**RESOURCES CONNECTION, INC.**
**2020 PERFORMANCE INCENTIVE PLAN**

**TERMS AND CONDITIONS OF PERFORMANCE STOCK UNIT AWARD**

**1. General**. These Terms and Conditions of Performance Stock Unit Award (these "**Terms**") apply to a particular grant of a target number of performance stock units (the "**Award**") under the Resources Connection, Inc. 2020 Performance Incentive Plan (the "**Plan**") if incorporated by reference in the Notice of Grant of Performance Stock Unit Award (the "**Notice**") corresponding to that particular award. Capitalized terms used in these Terms are used as defined in the Notice or, if not defined in the Notice, as defined in the Plan.

The Award has been granted to the Participant in addition to, and not in lieu of, any other form of compensation otherwise payable or to be paid to the Participant.

As used in this Award Agreement, the term "PSU" means a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding share of the Corporation's Common Stock (subject to adjustment as provided in Section 7.1 of the Plan) solely for purposes of the Plan and this Award Agreement. The PSUs shall be used solely as a device for the determination of the payment to eventually be made to the Participant if such PSUs vest pursuant to this Award Agreement. The PSUs shall not be treated as property or as a trust fund of any kind.

**2. Vesting; Continuance of Employment or Service Required; No Employment or Service Commitment**. Subject to Section 6 below, the PSUs subject to the Award shall vest and become nonforfeitable in accordance with the Vesting Schedule set forth in Appendix A. Appendix A hereto is incorporated herein by this reference. The Vesting Schedule requires continued employment or service through the applicable vesting date as a condition to the vesting of the applicable portion of the Award and the rights and benefits under this Award Agreement. [Except as otherwise expressly provided in Section 6 in connection with certain terminations of the Participant's employment or services,] [***For C Suite and those with equity acceleration***] employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in Section 6 below.

Nothing contained in this Award Agreement (including the Notice and Appendix A hereto) or the Plan constitutes an employment or service commitment by the Corporation or any of its Subsidiaries, affects the Participant's status as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by or in service to the Corporation or any of its Subsidiaries, interferes in any way with the right of the Corporation or any of its Subsidiaries at any time to terminate such employment or services, or affects the right of the Corporation or any of its Subsidiaries to increase or decrease the Participant's other compensation or benefits. Nothing in this Award Agreement (including the Notice and Appendix A), however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto.

**3. Dividend and Voting Rights.**

(a) Limitations on Rights Associated with Units. The Participant shall have no rights as a stockholder of the Corporation, no dividend rights (except as expressly provided in

Section 3(b) with respect to dividend equivalent rights) and no voting rights, with respect to the PSUs and any shares of Common Stock underlying or issuable in respect of such PSUs until such shares of Common Stock are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of such shares.

(b) Dividend Equivalent Rights Distributions. As of any date that the Corporation pays a cash dividend on its Common Stock, the Corporation shall credit the Participant with an additional number of Target PSUs equal to (i) the per share cash dividend paid by the Corporation on its Common Stock on such date, multiplied by (ii) the total Target PSUs subject to the Award (including any dividend equivalents previously credited hereunder, with such total number adjusted pursuant to Section 7.1 of the Plan) as of the related dividend payment record date, divided by (iii) the fair market value of a share of Common Stock on the date of payment of such dividend, with such number rounded down to the nearest whole PSU. Any additional Target PSUs credited pursuant to the foregoing provisions of this Section 3(b) shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Target PSUs to which they relate. No crediting of Target PSUs shall be made pursuant to this Section 3(b) with respect to any Target PSUs which, as of such record date, have either been paid pursuant to Section 5 or terminated pursuant to Section 6 or Appendix A.

**4. Restrictions on Transfer**. Neither the Award, nor any interest therein or amount or shares payable in respect thereof may be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily, except as set forth in Section 5.6 of the Plan.

**5. Timing and Manner of Payment of PSUs**. On or as soon as administratively practical following the vesting of the Award pursuant to this Award Agreement or Section 7.2 of the Plan (and in all events not later than two and one-half months after the applicable vesting date), the Corporation shall deliver to the Participant a number of shares of Common Stock (either by delivering one or more certificates for such shares or by entering such shares in book entry form, as determined by the Corporation in its discretion) equal to the number of PSUs subject to this Award that vest on the applicable vesting date (as determined pursuant to this Award Agreement and Appendix A), unless such PSUs terminate prior to the given vesting date pursuant to Section 6 or Appendix A. Fractional share interests will be disregarded. The Corporation's obligation to deliver shares of Common Stock or otherwise make payment with respect to vested PSUs is subject to the condition precedent that the Participant or other person entitled under the Plan to receive any shares with respect to the vested PSUs deliver to the Corporation any representations or other documents or assurances required pursuant to Section 8.1 of the Plan. The Participant shall have no further rights with respect to any PSUs that are paid or that terminate pursuant to Section 6 or Appendix A.

**6. Effect of Termination of Employment or Service.**

(a) General. [Except as otherwise expressly provided below in this Section 6,] ***[For C Suite and those with Acceleration.]*** the Participant's PSUs shall terminate to the extent such units have not become vested prior to the first date the Participant is no longer employed by or in service as a director or consultant to the Corporation or one of its Subsidiaries, regardless of the reason for the termination of the Participant's employment or service with the Corporation or a Subsidiary, whether with or without cause, voluntarily or involuntarily (the last day that the Participant is employed by or provides services as a director or consultant to the Corporation or a Subsidiary is referred to as the Participant's "**Severance Date**"). If any unvested PSUs are terminated hereunder, such PSUs shall automatically terminate and be cancelled as of the applicable Severance Date without payment of any consideration by the Corporation and without any other action by the Participant, or the Participant's beneficiary or personal representative, as the case may be.

(b) [Qualifying Termination. Subject to the release requirement set forth below, in the event of the Participant's Qualifying Termination (as defined in Appendix A), the unvested PSUs that are outstanding immediately prior to such Qualifying Termination (including any unvested dividend equivalents previously credited pursuant to this Award Agreement) shall vest as provided in Appendix A. The benefits provided by this paragraph are subject to the condition precedent that the Participant (or, in the event of the Participant's death or Permanent Disability (as such term is defined in the Employment Agreement between the Corporation and the Participant (the "**Employment Agreement**")), the Participant's beneficiary or personal representative, as the case may be) provide the Corporation with, and the Participant (or the Participant's beneficiary or personal representative, as the case may be) does not revoke, a general release in the form provided by the Corporation. Such general release shall be provided to the Participant (or the Participant's beneficiary or personal representative, as the case may be) within seven days of the Qualifying Termination date and the Participant (or the Participant's beneficiary or personal representative, as the case may be) shall execute and deliver to the Corporation the general release within twenty-one days after the Corporation provides the release to the Participant (or forty-five days if such longer period of time is required to make the release maximally enforceable under applicable law). In the event this paragraph applies and the general release (and the expiration of any revocation rights provided therein or pursuant to applicable law) could become effective in one of two taxable years depending on when the Participant (or the Participant's beneficiary or personal representative, as the case may be) executes and delivers the release, any payment conditioned on the release shall not be made earlier than the first business day of the later of such two tax years.] ***[For C Suite.]***

(b) [Qualifying Termination. Subject to the release requirement set forth below, in the event of the Participant's Qualifying Termination (as defined in Appendix A), the unvested PSUs that are outstanding immediately prior to such Qualifying Termination (including any unvested dividend equivalents previously credited pursuant to this Award Agreement) shall vest as provided in Appendix A. The benefits provided by this paragraph are subject to the condition precedent that the Participant provide the Corporation with, and the Participant does not revoke, a general release in the form provided by the Corporation. Such general release shall be provided to the Participant within seven days of the Qualifying Termination date and the Participant shall execute and deliver to the Corporation the general release within twenty-one days after the Corporation provides the release to the Participant (or forty-five days if such longer period of time is required to make the release maximally enforceable under applicable law). In the event this paragraph applies and the general release (and the expiration of any revocation rights provided therein or pursuant to applicable law) could become effective in one of two taxable years depending on when the Participant executes and delivers the release, any payment conditioned on the release shall not be made earlier than the first business day of the later of such two tax years.] ***[For those other than C Suite with equity acceleration.]***

(b) [Reserved.] ***[For any other recipients.]***

**7. Adjustments Upon Specified Events**. Upon the occurrence of certain events relating to the Corporation's stock contemplated by Section 7.1 of the Plan, the Administrator shall make adjustments in accordance with such section in the number of PSUs then outstanding and the number and kind of securities that may be issued in respect of the Award. No such adjustment shall be made with respect to any cash dividend for which dividend equivalents are credited pursuant to Section 3(b).

**8.** **Tax Withholding**. Subject to Section 8.1 of the Plan, upon any distribution of shares of Common Stock in respect of the PSUs, the Corporation shall automatically reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of whole shares, valued at their then fair market value, to satisfy any withholding obligations of the Corporation or its Subsidiaries with respect to such distribution of shares. In the event that the Corporation cannot legally satisfy such withholding obligations by such reduction of shares, or in the event of a cash payment or any other withholding event in respect of the PSUs, the Corporation (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to such distribution or payment.

**9.** **Notices**. Any notice to be given under the terms of this Award Agreement shall be in writing and addressed to the Corporation at its principal office to the attention of the Secretary, and to the Participant at the Participant's last address reflected on the Corporation's records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be given only when received, but if the Participant is no longer an employee of or in service to the Corporation, shall be deemed to have been duly given by the Corporation when enclosed in a properly sealed envelope addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government.

**10.** **Plan**. The Award and all rights of the Participant under this Award Agreement are subject to the terms and conditions of the provisions of the Plan, incorporated herein by reference. The Participant agrees to be bound by the terms of the Plan and this Award Agreement (including the Notice and Appendix A). The Participant acknowledges having read and understanding the Plan, the Prospectus for the Plan, and this Award Agreement (including the Notice and Appendix A). Unless otherwise expressly provided in other sections of this Award Agreement, provisions of the Plan that confer discretionary authority on the Board or the Administrator do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Administrator so conferred by appropriate action of the Board or the Administrator under the Plan after the date hereof.

**11.** **Entire Agreement**. This Award Agreement (including the Notice and Appendix A) and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Award Agreement (including the Notice and Appendix A) may be amended pursuant to Section 8.6 of the Plan. Such amendment must be in writing and signed by the Corporation. The Corporation may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

**12.** **Limitation on Participant's Rights.** Participation in the Plan confers no rights or interests other than as herein provided. This Award Agreement (including the Notice and Appendix A) creates only a contractual obligation on the part of the Corporation as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Corporation with respect to amounts credited and benefits payable, if any, with respect to the PSUs, and rights no greater than the right to receive the Common Stock as a general unsecured creditor with respect to PSUs, as and when payable hereunder.

**13.** **Counterparts; Electronic Signature**. This Award Agreement may be signed and/or transmitted in one or more counterparts by facsimile, e-mail of a .PDF, .TIF, .GIF, .JPG or similar attachment or using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties, it being understood that all parties need not sign the same counterpart, and that any such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party's hand-written signature. To the extent a party signs this Award Agreement using electronic signature technology, by clicking "sign," "accept," or similar acknowledgement of acceptance, such party is signing this Award Agreement electronically, and electronic signatures appearing on this Award Agreement (or entered as to this Award Agreement using electronic signature technology) shall be treated, for purposes of validity, enforceability and admissibility, the same as hand-written signatures.

**14.** **Section Headings**. The section headings of this Award Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

**15.** **Governing Law**. This Award Agreement (including the Notice and Appendix A) shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to conflict of law principles thereunder. You do not have to accept your award and it is not a condition of employment to accept your award. If you do not agree to the terms of your award, you should promptly return this Notice to the Corporation's Stock Plans Administrator indicating that you do not wish to accept the award and your PSUs will be cancelled.

**16.** **Construction**. It is intended that the terms of the Award will not result in the imposition of any tax liability pursuant to Section 409A of the Code. This Award Agreement (including the Notice and Appendix A) shall be construed and interpreted consistent with that intent.

**17.** **Clawback Policy**. The PSUs are subject to the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the PSUs or any shares of Common Stock or other cash or property received with respect to the PSUs (including any value received from a disposition of the shares acquired upon payment of the PSUs).

**18.** **No Advice Regarding Grant**. The Participant is hereby advised to consult with his or her own tax, legal and/or investment advisors with respect to any advice the Participant may determine is needed or appropriate with respect to the PSUs (including, without limitation, to determine the foreign, state, local, estate and/or gift tax consequences with respect to the Award). Neither the Corporation nor any of its officers, directors, affiliates or advisors makes any representation (except for the terms and conditions expressly set forth in this Award Agreement, including the Notice and Appendix A) or recommendation with respect to the Award. Except for the withholding rights set forth in Section 8 above, the Participant is solely responsible for any and all tax liability that may arise with respect to the Award.

* * *

## Appendix A

## Performance Vesting Requirements

The percentage of the Target PSUs (if any) that will be eligible to vest on the applicable vesting date (the "**Vested PSUs**") shall be determined based on the Corporation's performance for the applicable performance period set forth in this Appendix A. Such determination shall be made by the Administrator within sixty days following the end of the applicable performance period [(or such earlier time as provided in this Appendix A in the case of a Change in Control Event (as defined below))] ***[For C Suite and those with acceleration.]***. Except as provided in this Appendix A and subject to Section 6 of the Terms, the vesting date shall be the last day of the Performance Period (as defined below).

The number of Vested PSUs will be determined based on the Corporation's Revenue and Adjusted EBITDA Percentage (as defined below) achieved for the performance period beginning on the first day of the Corporation's 2022 fiscal year and ending on the last day of the Corporation's 2024 fiscal year (the "**Performance Period**"). The Vested PSUs will be determined by multiplying the Target PSUs (including any dividend equivalents previously credited pursuant to this Award Agreement) by the applicable percentage determined in accordance with the following table:

| | Threshold Revenue ($2.054B) | Target Revenue ($2.416B) | Stretch Revenue ($2.658B) |
|---|---|---|---|
| Threshold Adj. EBITDA % (9.35%) | 50% | 75% | 100% |
| Target Adj. EBITDA % (11%) | 75% | 100% | 125% |
| Stretch Adj. EBITDA % (12.1%) | 100% | 125% | 150% |

For Adjusted EBITDA Percentage or Revenue performance between the levels indicated, the applicable percentage will be determined using bilinear interpolation between points. In no event shall the applicable percentage exceed 150% of the Target PSUs. The applicable percentage shall be 0% if the Corporation does not achieve both the Threshold Revenue and Threshold Adjusted EBITDA Percentage levels set forth in the table above for the Performance Period. Any PSUs that do not become Vested PSUs at the end of the Performance Period based on this Appendix A shall automatically terminate as of the end of the Performance Period.

***[Change in Control Event***. If a Change in Control Event occurs prior to the last day of the Performance Period and while the Target PSUs are outstanding, the Performance Period shall end in connection with such Change in Control Event and the provisions of this Appendix A shall be applied as modified by this paragraph. The time-based vesting requirement shall no longer apply and the PSUs shall be deemed to vest as of the date of the Change in Control Event. The number of Vested PSUs shall equal the greater of (i) the Target PSUs (including any dividend equivalents previously credited pursuant to this Award Agreement) and (ii) a number of PSUs determined by multiplying the Target PSUs (including any dividend equivalents previously credited pursuant to this Award Agreement) by the applicable percentage determined in accordance with the table above as of the date of the Change in Control Event; provided, however, that the Revenue goals set forth in the table above shall be pro-rated by multiplying the applicable goal by a fraction: (x) the numerator of which shall be the number of days from the beginning of the Performance Period through the date of the Change in Control Event and (y) the denominator of which shall be the total number of days in the Performance Period. The Administrator shall determine the number of Vested PSUs within sixty days following the date of the Change in Control Event.] ***[For C Suite and those with equity acceleration.]***

***[Change in Control Event***. If a Change in Control Event occurs prior to the last day of the Performance Period and while the Target PSUs are outstanding, the Performance Period shall end in connection with such Change in Control Event and the provisions of this Appendix A shall be applied as modified by this paragraph. If the Award is to be terminated in connection with the Change in Control Event, then the time-based vesting requirement shall no longer apply and the Target PSUs (including any dividend equivalents previously credited pursuant to this Award Agreement) shall be deemed to vest as of the date of the Change in Control Event.

If the Award is assumed in connection with the Change in Control Event, then the time-based vesting requirement shall continue to apply and the Participant must remain employed through the end of the Performance Period for the any PSUs to vest. The number of PSUs that will be eligible to vest at the end of the Performance Period (the "**Eligible PSUs**") shall equal a number of PSUs determined by multiplying the Target PSUs (including any dividend equivalents previously credited pursuant to this Award Agreement) by the applicable percentage determined in accordance with the table above as of the date of the Change in Control Event; provided, however, that the Revenue goals set forth in the table above shall be pro-rated by multiplying the applicable goal by a fraction: (x) the numerator of which shall be the number of days from the beginning of the Performance Period through the date of the Change in Control Event and (y) the denominator of which shall be the total number of days in the Performance Period. The Administrator shall determine the number of Eligible PSUs within sixty days following the date of the Change in Control Event.] ***[For everyone else.]***

***[Qualifying Termination***. In the event of the Participant's Qualifying Termination prior to the last day of the Performance Period and while the Target PSUs are outstanding, subject to the release requirement described in Section 6(b) of the Terms, then the Target PSUs (including any dividend equivalents previously credited pursuant to this Award Agreement) shall be deemed vested as of the date of the Participant's Qualifying Termination.] ***[Include for C Suite and those with equity acceleration.]***

***Defined Terms***. For purposes of this Appendix A, the following definitions shall apply:

"**Adjusted EBITDA Percentage**" means the percentage calculated by dividing (i) the total Revenue for the Performance Period minus the cost of services sold (including benefit load and client reimbursable expenses), minus Selling, General and Administrative expense for the Corporation for the Performance Period, with adjustments (a) to exclude the Corporation's stock compensation, acquisition costs, restructuring costs, transformation costs, and contingent consideration incurred in the Performance Period, (b) to exclude the material impact of any changes in accounting standards or methods that are implemented during the Performance Period, and (c) to exclude the impact of any merger, combination, acquisition, consolidation, sale of a portion of the business or other reorganization of the Corporation that occurs during the Performance Period, by (ii) the Revenue for the Performance Period.

[“**Change in Control Event**” shall have the meaning given in Section 7.3 of the Corporation’s 2004 Performance Incentive Plan.] ***[For CEO.]***

[“**Change in Control Event**” means an event described in Section 7.2(a) of the Plan.] ***[For all other participants.]***

[“**Qualifying Termination**” means a termination of the Participant’s employment either (i) by the Corporation or one of its Subsidiaries without Cause, (ii) by the Participant for Good Reason, or (iii) due to the Participant’s death or Permanent Disability (as such terms are defined in the Employment Agreement).] ***[For C Suite.]***

[“**Qualifying Termination**” means a termination of the Participant’s employment by the Corporation or one of its Subsidiaries without Cause (as such term is defined in the Offer Letter between the Participant and the Corporation or a Subsidiary, as applicable).] ***[For those other than C Suite with equity acceleration.]***

“**Revenue**” means the cumulative revenue achieved by the Corporation during the Performance Period (as reflected in the Corporation’s financial statements), net of discounts, rebates and credit adjustments and inclusive of client reimbursement revenue, with adjustments to (a) exclude the material impact of any changes in accounting standards or methods that are implemented during the Performance Period and (b) exclude the impact of any merger, combination, acquisition, consolidation, sale of a portion of the business or other reorganization of the Corporation that occurs during the Performance Period.

Exhibit 10.4

**RESOURCES CONNECTION, INC.**
**2020 PERFORMANCE INCENTIVE PLAN**

**NOTICE OF GRANT OF RESTRICTED STOCK AWARD**

| | |
|---|---|
| **Award Recipient:** | [ ] |
| **Grant Date:** | [ ] |
| **Total Number of Shares of Restricted Stock:**[1] | [ ] |
| **Vesting Schedule:**[2] | One-third of the restricted shares subject to the award shall vest on each of the first, second, and third anniversaries of the Grant Date, subject to the recipient's continued employment or service through the applicable vesting date. |

Congratulations! Effective on the grant date set forth above (the "**Grant Date**"), you (the award recipient named above, the "**Participant**") have been granted an award of shares of Resources Connection, Inc. (the "**Corporation**") common stock (the "**Restricted Stock**"). The total shares of Restricted Stock subject to your award is set forth above.

The Restricted Stock was granted under the Resources Connection, Inc. 2020 Performance Incentive Plan (the "**Plan**"). Your award is subject to the terms and conditions set forth in this Notice of Grant of Restricted Stock Award (this "**Notice**"), the attached Terms and Conditions of Restricted Stock Award (the "**Terms**"), and the Plan. The Terms and the Plan are each incorporated into and made a part of this Notice by this reference. This Notice, together with the Terms, is referred to as the "**Award Agreement**" applicable to your award. By accepting the award, you are agreeing to the terms of the award as set forth in this Award Agreement and in the Plan. You should read the Plan, the Prospectus for the Plan, and the Award Agreement (including the Terms).

A copy of the Plan, the Prospectus for the Plan, and the Terms have been provided to you. If you need another copy of these documents, or if you would like to confirm that you have the most recent version, please contact the Corporation's Stock Plan Administrator.

**RESOURCES CONNECTION, INC.** **ACCEPTED AND AGREED BY THE PARTICIPANT**

By: ______________________________ By: ______________________________
Name: Name:
Title:



1 Subject to adjustment under Section 7.1 of the Plan.
2 Subject to termination pursuant to Section 6 of the Terms.

**RESOURCES CONNECTION, INC.**
**2020 PERFORMANCE INCENTIVE PLAN**

**TERMS AND CONDITIONS OF RESTRICTED STOCK AWARD**

**1.** **General**. The award of shares of restricted stock (the "**Award**") of Resources Connection, Inc. (the "**Corporation**") referred to in the attached Notice of Grant of Restricted Stock Award (the "**Notice**") was awarded under the Resources Connection, Inc. 2020 Performance Incentive Plan (the "**Plan**"). The holder of the restricted stock subject to the Award (the "**Restricted Stock**") is referred to herein as the "**Participant**." The Restricted Stock is subject to the terms and provisions of the Notice, these Terms and Conditions of Restricted Stock Award (these "**Terms**"), and the Plan. (The Notice and these Terms are referred to collectively as the "**Award Agreement**.") To the extent any information in the Notice, the prospectus for the Plan, or other information provided by the Corporation conflicts with the Plan and/or these Terms, the Plan or these Terms, as applicable, shall control. To the extent any terms and provisions in these Terms conflict with the terms and provisions of the Plan, the Plan shall control. Capitalized terms not defined herein have the meanings set forth in the Plan.

**2.** **Vesting**. Subject to Section 8 below, the Award shall vest, and restrictions (other than those set forth in Section 8.1 of the Plan) shall lapse as set forth in the Notice and these Terms. The Board reserves the right to accelerate the vesting of the Restricted Stock in such circumstances as it, in its sole discretion, deems appropriate and any such acceleration shall be effective only when set forth in a written instrument executed by an officer of the Corporation.

**3.** **Continuance of Employment**. The vesting schedule requires continued employment or service through each applicable vesting date as a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Award Agreement. Employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in Section 8 below or under the Plan.

Nothing contained in this Award Agreement or the Plan constitutes an employment or service commitment by the Corporation, affects the Participant's status as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by or in service to the Corporation or any of its Subsidiaries, interferes in any way with the right of the Corporation or any of its Subsidiaries at any time to terminate such employment or services, or affects the right of the Corporation or any of its Subsidiaries to increase or decrease the Participant's other compensation or benefits. Nothing in this paragraph, however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto.

**4.** **Dividend and Voting Rights**. After the Award Date, the Participant shall be entitled to cash dividends and voting rights with respect to the shares of Restricted Stock subject to the Award even though such shares are not vested, provided that such rights shall terminate immediately as to any shares of Restricted Stock that are forfeited pursuant to Section 8 below. If the Participant receives any dividends on shares of Restricted Stock that are forfeited to the Corporation pursuant to this Agreement, the Participant agrees to immediately repay to the Corporation the aggregate amount of dividends received on such forfeited shares (with such payment to be made upon such forfeiture event or, as to any such dividends received on such shares after such forfeiture event, upon receipt of such dividends).

**5.** **Restrictions on Transfer**. Prior to the time that they have become vested pursuant to this Award Agreement or Section 7 of the Plan, neither the Restricted Stock, nor any interest therein, amount payable in respect thereof, or Restricted Property (as defined in Section 9 hereof) may be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily. The transfer restrictions in the preceding sentence shall not apply to transfers to the Corporation.

**6.** **Stock Issuance**. The Corporation will generally issue the shares of Restricted Stock in book entry form, registered in the name of the Participant with notations regarding the applicable restrictions on transfer imposed under this Award Agreement, although the Corporation shall have discretion to issue such shares in certificate form. In the event that certificates are ever issued for the Restricted Stock, such certificates will bear a legend making appropriate reference to the restrictions imposed hereunder and/or any other appropriate or required legends under applicable laws. Any certificates representing shares of Restricted Stock that may be delivered to the Participant by the Corporation prior to vesting shall be redelivered to the Corporation to be held by the Corporation until the restrictions on such shares shall have lapsed and the shares shall thereby have become vested or the shares represented thereby have been forfeited hereunder.

**7.** **Delivery of Stock Upon Vesting**.

(a) Delivery of Stock. Promptly after the vesting of any shares of Restricted Stock pursuant to this Award Agreement or Section 7 of the Plan and subject to the satisfaction of the requisite tax withholding requirements pursuant to Section 10 hereof, the Corporation shall release the number of shares of Restricted Stock which have vested (or such lesser number of shares as may be provided pursuant to Section 10 hereof) to the Corporation's third party administrator for placement in the Participant's brokerage account. The Participant (or the beneficiary or personal representative of the Participant in the event of the Participant's death or disability, as the case may be) shall deliver to the Corporation any representations or other documents or assurances as the Corporation may determine to be necessary or reasonably advisable in order to ensure compliance with all Applicable Laws with respect to the grant of the Award and deliver of shares of Common Stock in respect thereof. The shares so delivered shall no longer be restricted shares hereunder.

(b) Power of Attorney. The Participant, by acceptance of the Award, shall be deemed to appoint, and does so appoint by execution of this Award Agreement, the Corporation and each of its authorized representatives as the Participant's attorney(s)-in-fact to effect any transfer of unvested forfeited shares (or shares otherwise reacquired by the Corporation hereunder) to the Corporation as may be required pursuant to the Plan or this Award Agreement and to execute such documents as the Corporation or such representatives deem necessary or advisable in connection with any such transfer.

**8.** **Effect of Termination of Employment or Services.** Subject to earlier vesting as provided in Section 7 of the Plan, if the Participant ceases to be employed by or ceases to provide services to the Corporation or a Subsidiary, the Participant's shares of Restricted Stock (and related Restricted Property as defined in Section 9 hereof) shall be forfeited to the Corporation to the extent such shares have not become vested upon the date the Participant's employment or services terminate (regardless of the reason for such termination, whether with or without cause, voluntarily or involuntarily, or due to death or disability). Upon the occurrence of any forfeiture of shares of Restricted Stock hereunder, such unvested, forfeited shares and related Restricted Property shall be automatically transferred to the Corporation, without any other action by the Participant (or the Participant's beneficiary or personal representative in the event of the Participant's death or disability, as applicable). No consideration shall be paid by the Corporation with respect to such transfer. The Corporation may exercise its powers under Section 7(b) hereof and take any other action necessary or advisable to evidence such transfer. The Participant (or the Participant's beneficiary or personal representative in the event of the Participant's death or disability, as applicable) shall deliver any additional documents of transfer that the Corporation may request to confirm the transfer of such unvested, forfeited shares and related Restricted Property to the Corporation.

**9. Adjustments Upon Specified Events**. Upon the occurrence of certain events relating to the Corporation's stock contemplated by Section 7.1 of the Plan, the Administrator shall make adjustments if appropriate in the number and kind of securities that may become vested under the Award. If any adjustment shall be made under Section 7.1 of the Plan or an event described in Section 7.2 of the Plan shall occur and the shares of Restricted Stock are not fully vested upon such event or prior thereto, the restrictions applicable to such shares of Restricted Stock shall continue in effect with respect to any consideration, property or other securities (the "**Restricted Property**" and, for the purposes of this Award Agreement, "Restricted Stock" shall include "Restricted Property", unless the context otherwise requires) received in respect of such Restricted Stock. Such Restricted Property shall vest at such times and in such proportion as the shares of Restricted Stock to which the Restricted Property is attributable vest, or would have vested pursuant to the terms hereof if such shares of Restricted Stock had remained outstanding. To the extent that the Restricted Property includes any cash (other than regular cash dividends), such cash shall be invested, pursuant to policies established by the Administrator, in interest bearing, FDIC-insured (subject to applicable insurance limits) deposits of a depository institution selected by the Administrator, the earnings on which shall be added to and become a part of the Restricted Property.

**10. Tax Withholding**. Subject to Section 8.1 of the Plan, upon any vesting of the Restricted Stock, the Corporation shall automatically withhold and reacquire the appropriate number of whole shares of Restricted Stock from such shares that vested, valued at their then fair market value, to satisfy any withholding obligations of the Corporation or its Subsidiaries with respect to such vesting at the applicable withholding rates. The Corporation may exercise its powers under Section 7(b) hereof and take any other action necessary or advisable to evidence such transfer. The Participant shall deliver any additional documents of transfer that the Corporation may request to confirm the transfer of such shares and related Restricted Property to the Corporation. In the event that the Corporation cannot satisfy such withholding obligations by withholding and reacquiring such shares of Restricted Stock, or in the event that the Participant makes or has made an election pursuant to Section 83(b) of the Code or the occurrence of any other withholding event with respect to the Award, the Corporation (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation or dividends payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to such vesting of any Restricted Stock or such Section 83(b) election or other withholding event.

**11. Notices**. Any notice to be given under the terms of this Award Agreement shall be in writing and addressed to the Corporation at its principal office to the attention of the Secretary, and to the Participant at the Participant's last address reflected on the Corporation's payroll records. Any notice shall be delivered in person or shall be enclosed in a properly sealed envelope, addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government. Any such notice shall be given only when received, but if the

Participant is no longer an Eligible Person, shall be deemed to have been duly given five business days after the date mailed in accordance with the foregoing provisions of this Section 11.

**12.** **Plan**. The Award and all rights of the Participant under this Award Agreement are subject to the terms and conditions of the provisions of the Plan, incorporated herein by reference. The Participant agrees to be bound by the terms of the Plan and this Award Agreement. The Participant acknowledges having read and understanding the Plan, the Prospectus for the Plan, and this Award Agreement. Unless otherwise expressly provided in other sections of this Award Agreement, provisions of the Plan that confer discretionary authority on the Board or the Administrator do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Administrator so conferred by appropriate action of the Board or the Administrator under the Plan after the date hereof.

**13.** **Entire Agreement**. This Award Agreement and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan may be amended pursuant to Section 8.6 of the Plan. This Award Agreement may be amended by the Board from time to time. Any such amendment must be in writing and signed by the Corporation. Any such amendment that materially and adversely affects the Participant's rights under this Award Agreement requires the consent of the Participant in order to be effective with respect to the Award. The Corporation may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

**14.** **Section Headings**. The section headings of this Award Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

**15.** **Governing Law**. This Award Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to conflict of law principles thereunder.

**Certification of Chief Executive Officer**
**Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934**

I, Kate W. Duchene, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Resources Connection, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 6, 2022

/s/ KATE W. DUCHENE
Kate W. Duchene
**President and Chief Executive Officer**

**EXHIBIT 31.2**

**Certification of Chief Financial Officer**
**Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934**

I, Jennifer Ryu, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Resources Connection, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 6, 2022

/s/ JENNIFER RYU
Jennifer Ryu
**Executive Vice President and Chief Financial Officer**

**EXHIBIT 32.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the fiscal quarter ended November 27, 2021 of Resources Connection, Inc. (the “Form 10-Q”), I, Kate W. Duchene, President and Chief Executive Officer of Resources Connection, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and

2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Resources Connection, Inc.

January 6, 2022

/s/ KATE W. DUCHENE

**Kate W. Duchene**
**President and Chief Executive Officer**

The foregoing certification is being furnished to the Securities and Exchange Commission pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**EXHIBIT 32.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the fiscal quarter ended November 27, 2021 of Resources Connection, Inc. (the "Form 10-Q"), I, Jennifer Ryu, Executive Vice President and Chief Financial Officer of Resources Connection, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and

2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Resources Connection, Inc.

January 6, 2022

/s/ JENNIFER RYU
**Jennifer Ryu**
**Executive Vice President and Chief Financial Officer**

The foregoing certification is being furnished to the Securities and Exchange Commission pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.