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

## Form 10-K

**(Mark One)**

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

**For the fiscal year ended May 29, 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) |

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

**None (Title of Class)**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☐

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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

As of November 27, 2020 (the last business day of the registrant's most recently completed second fiscal quarter), the approximate aggregate market value of common stock held by non-affiliates of the registrant was $382,157,000 (based upon the closing price for shares of the registrant's common stock as reported by The Nasdaq Global Select Market). As of July 14, 2021, there were approximately 32,888,182 shares of common stock, $.01 par value, outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

The registrant's definitive proxy statement for the 2021 Annual Meeting of Stockholders is incorporated by reference in Part III of this Form 10-K to the extent stated herein.

**RESOURCES CONNECTION, INC.**

**TABLE OF CONTENTS**


| | | Page No. |
|---|---|---|
| | **PART I** | |
| ITEM 1. | BUSINESS | 3 |
| ITEM 1A. | RISK FACTORS | 10 |
| ITEM 1B. | UNRESOLVED STAFF COMMENTS | 19 |
| ITEM 2. | PROPERTIES | 20 |
| ITEM 3. | LEGAL PROCEEDINGS | 20 |
| ITEM 4. | MINE SAFETY DISCLOSURES | 20 |
| | **PART II** | |
| ITEM 5. | MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES | 21 |
| ITEM 6. | RESERVED | 23 |
| ITEM 7. | MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS | 23 |
| ITEM 7A. | QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK | 38 |
| ITEM 8. | FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA | 40 |
| ITEM 9. | CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE | 69 |
| ITEM 9A. | CONTROLS AND PROCEDURES | 69 |
| ITEM 9B. | OTHER INFORMATION | 71 |
| ITEM 9C. | DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS | 71 |
| | **PART III** | |
| ITEM 10. | DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE | 71 |
| ITEM 11. | EXECUTIVE COMPENSATION | 71 |
| ITEM 12. | SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS | 71 |
| ITEM 13. | CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE | 72 |
| ITEM 14. | PRINCIPAL ACCOUNTANT FEES AND SERVICES | 72 |
| | **PART IV** | |
| ITEM 15. | EXHIBIT AND FINANCIAL STATEMENT SCHEDULES | 73 |
| ITEM 16. | FORM 10-K SUMMARY | 76 |
| | SIGNATURES | 77 |

*In this Annual Report on Form 10-K, "Resources Global Professionals," "Company," "we," "us" and "our" refer to the business of Resources Connection, Inc. and its subsidiaries. References in this Annual Report on Form 10-K to "fiscal," "year" or "fiscal year" refer to our fiscal year that consists of the 52- or 53-week period ending on the Saturday in May closest to May 31. The fiscal years ended May 29, 2021 and May 25, 2019 both consisted of 52 weeks. The fiscal year ended May 30, 2020 consisted of 53 weeks.*

**FORWARD LOOKING STATEMENTS**

This Annual Report on Form 10-K, including information incorporated herein by reference, 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. These statements relate to expectations concerning matters that are not historical facts. For example, statements discussing, among other things, expected savings, 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," "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, including those identified in Item 1A "Risk Factors" of this Annual Report on Form 10-K, as well as our other reports filed with the Securities and Exchange Commission ("SEC") should be reviewed carefully. 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 these forward-looking statements, which speak only as of the date of this Annual Report. 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 Annual Report or to reflect the occurrence of unanticipated events, unless required by law to do so.

## PART I

### ITEM 1. *BUSINESS.*

**Overview**

Resources Global Professionals is a global consulting firm helping clients match the right professional talent needed to tackle transformation, change and compliance challenges. 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. Our engagements are designed to leverage human connection and collaboration to deliver practical solutions and more impactful results that power our clients', consultants' and partners' success.

Disrupting the professional services industry since Resources Global Professionals was founded in 1996, we are the "now of work" – and are focused on attracting 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 for the work at hand with speed and efficiency. Our approach to workforce strategy uniquely positions us to help our clients transform their businesses and workplaces. Our approximately 5,000 professionals collectively engaged with over 2,100 clients around the world in fiscal 2021, including over 85% of the Fortune 100 as of July 2021.

**Business Segments**

We operate in three business segments, including:

- 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; and
- 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 our Chief Executive Officer, who is the Chief Operating Decision Maker for segment reporting purposes. 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.

RGP accounts for more than 90% of our consolidated revenue and segment total adjusted EBITDA and, therefore, represents our dominant segment. The discussions in this section apply to both our entire business and RGP.

**Industry Background and Trends**

***Changing Market for Project- or Initiative-Based Professional Services***

Our services respond to what we believe is a growing marketplace trend: namely, organizations are increasingly choosing to address their workforce needs in more flexible ways. We believe this growing shift in workforce strategy towards a project-based orientation was also accelerated by the COVID-19 pandemic (the "Pandemic") with an enhanced emphasis on business agility. Permanent professional personnel positions are being reduced as organizations engage agile talent for project initiatives and transformation work.

Organizations use a mix of alternative resources to execute on projects. Some companies rely solely on their own employees who may lack the requisite time, experience or skills for specific projects. Other companies may outsource entire projects to consulting firms, which provides them access to the expertise of the firm but often entails significant cost and less management control of the project. As a more cost-efficient alternative, companies sometimes use temporary employees from traditional and Internet-based staffing firms, although these employees may be less experienced or less qualified than employees from professional services firms. Finally, companies can supplement their internal resources with employees from agile consulting or other traditional professional services firms, like Resources Global Professionals. The use of project consultants as a viable alternative to traditional accounting, consulting and law firms allows companies to:

- Strategically access specialized skills and expertise for projects of set duration;

-  Access the very best talent across regions and geographies;
-  Be nimble and mobilize quickly;
-  Blend independent and fresh points of view;
-  Effectively supplement internal resources;
-  Increase labor flexibility; and
-  Reduce overall hiring, training and termination costs.

***Supply of Project Consultants***

Based on discussions with our consultants, we believe the number of professionals seeking to work on an agile basis has been increasing due to a desire for:

-  More flexible hours and work arrangements, including working from home options, coupled with an evolving professional culture that offers competitive wages and benefits;
-  The ability to learn and contribute in different environments and collaborate with diverse team members;
-  Challenging engagements that advance their careers, develop their skills and add to their experience base;
-  A work environment that provides a diversity of, and more control over, client engagements; and
-  Alternate employment opportunities throughout the world.

The employment alternatives available to professionals may fulfill some, but not all, of an individual's career objectives. A professional working for a Big Four firm or a consulting firm may receive challenging assignments and training; however, he or she may encounter a career path with less choice and less flexible hours, extensive travel and limited control over work engagements. On the other hand, a professional who works as an independent contractor faces the ongoing task of sourcing assignments and significant administrative burdens, including potential tax and legal issues.

**Resources Global Professionals' Solution**

We believe Resources Global Professionals is ideally positioned to capitalize on the confluence of the industry shifts described above. We believe, based on discussions with our clients, that Resources Global Professionals provides the agility companies desire in today's highly competitive and quickly evolving business environment. Our solution offers the following elements:

-  A relationship-oriented and collaborative approach to client service;
-  A dedicated talent acquisition and management team adept at developing, managing and deploying a project-based workforce;
-  Deep functional and/or technical experts who can assess clients' project needs and customize solutions to meet those needs;
-  Highly qualified and pedigreed consultants with the requisite expertise, experience and points of view;
-  Competitive rates on an hourly, rather than project, basis; and
-  Significant client control of their projects with effective knowledge transfer and change management.

**Resources Global Professionals' Strategic Priorities**

***Our Business Strategy***

We are dedicated to serving our clients with highly qualified and experienced talent in support of projects and initiatives in a broad array of functional areas, including:

Transactions
- Integration and divestitures
- Bankruptcy/restructuring
- Going public readiness and support
- Financial process optimization
- System implementation

Regulations
- Accounting regulations
- Internal audit and compliance
- Data privacy and security
- Healthcare compliance
- Regulatory compliance

Transformations
- Finance transformation
- Digital transformation
- Supply chain management
- Cloud migration
- Data design and analytics

Our objective is to build and maintain Resources Global Professionals' reputation as the premier provider of agile human capital solutions for companies facing transformation, change and compliance challenges. We have developed the following business strategies to achieve our objectives:

- *Hire and retain highly qualified, experienced consultants.* We believe our highly qualified, experienced consultants provide us with a distinct competitive advantage. Therefore, one of our priorities is to continue to attract and retain high-caliber consultants who are committed to serving clients and solving their problems. We believe we have been successful in attracting and retaining qualified professionals by providing challenging work assignments, competitive compensation and benefits, and continuing professional development and learning opportunities as well as membership to an exclusive community of likeminded professionals, while offering flexible work schedules and more control over choosing client engagements.
- *Maintain our distinctive culture.* Our corporate culture is the foundation of our business strategy and we believe it has been a significant component of our success. See "Human Capital Management" below for further discussions about our culture.
- *Establish consultative relationships with clients.* We emphasize a relationship-oriented approach to business rather than a transaction-oriented or assignment-oriented approach. We believe the professional services experience of our management and consultants enables us to understand the needs of our clients and deliver an integrated, relationship-based approach to meeting those needs. Client relationships and needs are addressed from a client centric, not geographic, perspective. Our revenue team regularly meets with our existing and prospective clients to understand their business issues and help them define their project needs. Our talent team then identifies consultants with the appropriate skills and experience from our global talent pool to meet the client's objectives. We believe that by establishing relationships with our clients to solve their professional service needs, we are more likely to identify new opportunities to serve them. The strength and depth of our client relationships is demonstrated by the approximately 74% retention rate of our top 100 clients over the last five years.
- *Build the RGP brand.* We want to be the preferred provider in the "now of work," providing the best talent in an increasingly fluid gig-oriented environment. Our primary means of building our brand continues to be the consistent and reliable delivery of high-quality, value-added services to our clients. We have also built a significant referral network through our 2,902 consultants and 851 management and administrative employees as of May 29, 2021. In addition, we have invested in global, regional and local marketing and brand activation efforts that reinforce our brand. We rely on trademark registrations and common law trademark rights to protect the distinctiveness of our brand.

***Our Growth Strategy***

Since inception, our growth has been primarily organic with certain strategic acquisitions along the way that augmented our physical presence or solution offerings. We believe we have significant opportunity for continued organic growth in our core business while also growing opportunistically through strategic and highly targeted acquisitions as the global economy recovers from the Pandemic and our clients continue to accelerate their digital and workforce paradigm transformations. In both our core and acquired businesses, key elements of our growth strategy include:

- *Increase penetration of existing client base.* A principal component of our strategy is to secure additional work from the clients we have served. Based on discussions with our clients, we believe that the amount of revenue we currently generate from many of our clients represents a relatively small percentage of the total amount that they spend on professional services. Consistent with current industry trends, we believe our clients may also continue to increase that spend as the global economy recovers and as businesses adopt a more agile workforce strategy. We believe that by continuing to deliver high-quality services and by furthering our relationships with our clients, we can capture a significantly larger share of our clients' professional services budgets. We maintain our Strategic Client Account Program to serve a number of our largest clients with dedicated global account teams. We have and will continue to expand the Strategic Client Account Program by adding additional clients and taking a more client centric and borderless approach to serving these clients. We believe this focus enhances our opportunities to develop in-depth knowledge of these clients' needs and the ability to increase the scope and size of projects with those clients. The Strategic Client Account Program has been one of our key drivers for revenue and business growth.
- *Grow our client base.* We continue to focus on attracting new clients. We strive to develop new client relationships primarily by leveraging the significant contact networks of our management and consultants and through referrals from existing clients. We believe we can continue to attract new clients by building our brand identity and reputation, supplemented by our global, regional and local marketing efforts. We anticipate our growth efforts will continue to pivot on identifying strategic target accounts especially in the large and middle market client segments and within certain focus industries, such as healthcare, technology and financial services.
- *Diversify service offerings.* We continue to develop and consider entry into new professional service offerings. Since our founding, we have diversified our professional service offerings from a primary focus on accounting and finance to other areas in which our clients have significant needs such as integration and divestitures, financial process optimization, accounting regulations, internal audit and compliance, healthcare compliance, finance transformation, digital transformation, and data design and analytics. We continuously identify project opportunities we can market at a broader level with our talent, tools and methodologies and commercialize projects into solution offerings. When evaluating new solution offerings to market to current and prospective clients, we consider (among other things) cultural fit, growth potential, profitability, cross-marketing opportunities and competition.
- *Engage in strategic acquisitions*. Our acquisition strategy is to engage in targeted M&A efforts that are designed to complement our core service offerings and enhance our consulting capabilities that are in line with market demands and trends. In fiscal 2020, we acquired Veracity Consulting Group, LLC ("Veracity"). The acquisition of Veracity accelerated our digital capabilities and our ability to offer comprehensive digital innovation services.

**Human Capital Management**

Our internal employees and consultants represent our greatest asset and operate together to provide the highest quality of service to our clients. As of May 29, 2021, we had 3,753 employees, including 851 management and administrative employees and 2,902 consultants. Our employees are not covered by any collective bargaining agreements.

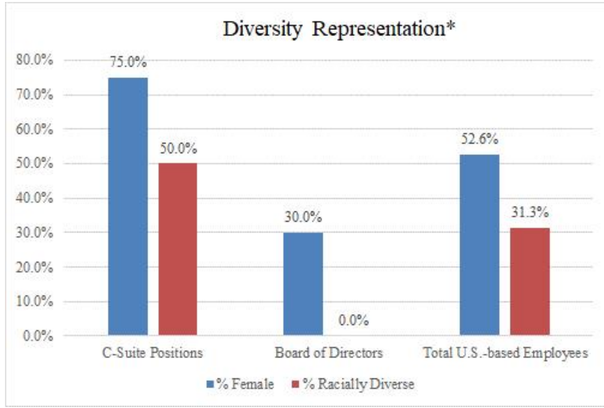
*Our Culture and Values*

Our company culture is the cornerstone of all our human capital programs. Our senior management team, the majority of whom are Big Four, management consulting and/or Fortune 500 alumni, has created a culture that combines the commitment to quality and the client service focus of a Big Four firm with the entrepreneurial energy of an innovative, high-growth company. Our culture is built upon our shared, core values of Loyalty, Integrity, Focus, Enthusiasm, Accountability and Talent, and we believe this is a key reason for our success.

Along with our core values, we act in accordance with our Code of Business Conduct and Ethics ("Code of Conduct"), which sets forth the standards our employees and board members must adhere to at all times in the execution of their duties. Our Code of Conduct covers topics such as honest and candid conduct, conflicts of interest, protecting confidential information, anti-corruption, compliance with laws, rules and regulations, fair dealing, equal opportunities and non-harassment, maintaining a safe workplace, and the reporting of violations. The Code of Conduct reflects our commitment to operating in a fair, honest, responsible and ethical manner and also provides direction for reporting complaints in the event of alleged violations of our policies (including through an anonymous hotline).

*Diversity, Equity & Inclusion*

Diversity, equity and inclusion (DE&I) are critical underpinnings of our shared values and guide our conduct in our interactions with both clients and each other. As a human-first company, we recognize diversity as a strength that is cultivated through our culture, our people, our business, and our clients. We are a Paradigm for Parity Coalition company and a 2020 Women on Boards "W" Winning Company. Our gender and racial diversity representation in the C-suite positions (i.e., our "Chief" level positions), board of directors and U.S.-based workforce is presented in the following table:




* -- Data for our C-suite and board of directors is as of May 29, 2021 and our total U.S.-based employees is as of November 2020.

In fiscal 2021, we established a Diversity Council and a Diversity Ambassador program, consisting of team members across North America from various functions. The Diversity Council serves an important role in working closely with senior leaders to facilitate alignment between our DE&I efforts and overall business strategy of promoting human capital practices that support and accelerate our DE&I goals. Our Diversity Council hosts periodic town hall meetings that are accessible to our global workforce. In these meetings, our council discusses the current year's DE&I initiatives and strategy for execution on those initiatives, as well as updates to our DE&I resources. For example, our fiscal 2021 DE&I initiatives focused on increasing DE&I awareness, education and involvement among our workforce, increasing diversity in our workforce, and promoting diversity in our Go-to-Market activities. In fiscal 2021, we also established a Social Justice Charitable Matching Fund, which has allowed us to help raise DE&I awareness internally across our organization by matching employees' contributions to charitable organizations that promote social justice. As of May 29, 2021, we achieved our goal of matching $100,000 in contributions during fiscal 2021.

*Employee Wellbeing and Resilience*

Employee safety and wellbeing is of paramount importance to us in any year and was of particular focus in our fiscal years 2020 and 2021 in light of the Pandemic. To further this focus, we formed a Global Business Continuity Team to improve our disaster preparedness plans and implement strategies to manage the health and security of our employees, business continuity, client confidence, and excellent customer service. In response to the Pandemic, we introduced a work-from-home policy, critical safety and hygiene protocols and a limited business travel directive. We continue to monitor changing government rules and regulations in countries where we operate and have begun to reopen our offices in accordance with local health department guidelines. Our goal is to help every human in our workforce maintain a positive, productive and connected work experience. We provide productivity and collaboration tools and resources for employees working remotely, and during 2020 and 2021, we enhanced and promoted programs to support our employees' physical and mental wellbeing, including the offering of virtual fitness and education classes, and the institution of the RGP Kids Academy that offers academic and enrichment classes for children and families of our employees. We also offer all U.S.-based employees participation in our Employee Assistance Program, which provides our employees with mental health support and resources.

*Building Strong Leaders and Talent Management*

Strong leadership is critical to fostering employee engagement and positioning employees to perform at their best. For these reasons, we invest in the ongoing professional development of our employees through curated programs that are designed to promote personal, functional and leadership growth. Successful talent development starts with hiring the right people. We seek to recruit and hire candidates that demonstrate skills and competencies that align with our core values and that have an aptitude to further develop those strengths. After onboarding, we remain dedicated to providing employees with training and development opportunities to allow our employees to progress in their careers.

*Compensation and Benefits*

We provide a competitive compensation and benefits program to attract and reward our employees. In addition to salaries, our eligible employees, including our consultants, are offered participation in a comprehensive benefits program including: paid time off and holidays, group medical and dental programs, a basic term life insurance program, health savings accounts, flexible spending accounts, a 401(k) retirement plan with employer matching contributions, a 2019 Employee Stock Purchase Plan ("ESPP"), which enables employees to purchase shares of our stock at a discount, and an employee assistance program. In addition, eligible management and administrative employees may participate in annual cash incentive programs or receive stock-based awards. We also allow eligible consultants to maintain continuation of benefits for 90 days following the completion of a consulting project. Internationally, our consultants are a blend of employees and independent contractors. Independent contractor arrangements are more common abroad than in the U.S. due to worker preferences, applicable laws and regulations and customs in the market.

During fiscal 2021, we introduced our Pay for Success Total Rewards Philosophy that promotes more consistent and transparent practices for rewarding and incentivizing our employees and the alignment of pay practices with Company success. The Total Rewards Philosophy is comprised of three main components: base pay, designed to reflect an individual's value given knowledge, skills, and value driven through job performance; short term incentives, awarded to employees based on results delivered during the applicable fiscal year and determined by quantitative metrics, qualitative contributions, individual goals, and demonstration of company values; and long-term incentives, granted to reward and retain employees who have strategic impact on the long-term success of the Company.

During fiscal 2021, we also launched our "You Matter" digital global employee recognition and appreciation program. You Matter includes service awards to acknowledge key milestones, including employment anniversaries and hours of service. This program provides all employees with the ability to both give and receive recognition, contributing to our culture of gratitude and excellence.

**Clients**

We provide our services and solutions to a diverse client base in a broad range of industries. In fiscal 2021, we served over 2,100 clients in 42 countries. Our revenues are not concentrated with any particular client. No single customer accounted for more than 10% of revenue for the 2021, 2020 or 2019 fiscal years. In fiscal 2021, our 10 largest clients accounted for approximately 21% of our revenues.

**Operations**

We generally provide our professional services to clients at a local level, with the oversight of our market or account leaders and consultation with our corporate management team. The market or account leaders and client development directors in each market are responsible for initiating client relationships, ensuring client satisfaction throughout engagements, coordinating services for clients on a national and international platform and maintaining client relationships post-engagement. Market or account revenue leadership and their teams identify, develop and close new and existing client opportunities, often working in a coordinated effort with other markets on multi-national/multi-location proposals.

Market or account level leadership works closely with our regionalized talent management team, who are responsible for identifying, hiring and cultivating a sustainable relationship with seasoned professionals fitting the RGP profile of client needs. Our consultant recruiting efforts are regionally and nationally based, depending upon the skill set required; talent management handles both the identification and hiring of consultants specifically skilled to perform client projects as well as monitoring the satisfaction of consultants during and post-completion of assignments. The talent teams focus on getting the right talent in the right place at the right time. In fiscal 2020, we launched our Borderless Talent initiative in response to the Pandemic to evolve towards and facilitate a virtual operating model. With this initiative, we seek to provide borderless solutions, anytime, anywhere, bringing the best talent to meet our clients' business needs, based on workload, not zip code.

We believe a substantial portion of the buying decisions made by our clients are made on a local or regional basis and our offices most often compete with other professional services providers on a local or regional basis. We continue to believe our local market or account leaders are well-positioned to understand the local and regional outsourced professional services market. Additionally, the complexity of relationships with many of our multinational clients also dictates that in some circumstances a hybrid model, bringing

the best of both locally driven relationships as well as global focus and delivery, is important for employee and client satisfaction. Through our Strategic Client Account Program, we aim to be the service provider that can partner with our multinational clients on a global basis by organizing the concerted effort and talent team to deliver through one integrated service platform. Additionally, team members in our Advisory and Project Services group are individuals with requisite depth of expertise and tools to work with clients on projects requiring intimate knowledge and thought leadership on particular client concerns.

We believe our ability to deliver professional services successfully to clients is dependent on our leaders in the field working together as a collegial and collaborative team. To build a sense of team spirit and increase camaraderie among our leaders, we have a program for field personnel that awards annual incentives based on specific agreed-upon goals focused on the performance of the individual and performance of the Company. We also share across the Company the best and most effective practices of our highest achieving offices and accounts and use this as an introductory tool with new revenue team members. New leadership also spends time in other markets or otherwise partners with experienced sales and recruiting personnel in those markets to understand how best to serve current clients, expand our presence with prospects and identify and recruit highly qualified consultants, among many other important skills. This allows the veteran leadership to share their success stories, foster our culture with new team members and review specific client and consultant development programs. We believe these team-based practices enable us to better serve clients who prefer a centrally organized service approach.

From our corporate headquarters in Irvine, California, we provide centralized administrative, marketing, finance, human resources (“HR”), information technology (“IT”), legal and real estate support. We also have a business support operations center in our Utrecht, Netherlands office to provide centralized finance, HR, IT, payroll and legal support to our European offices. These centralized functions minimize the administrative burdens on our front office market leaders and enables operational efficiency and scalability throughout the enterprise.

**Business Development**

Our business development initiatives are composed of:

- local and global initiatives focused on existing clients and target companies;
- national and international targeting efforts focused on multinational companies;
- brand marketing activities; and
- national and local advertising and direct mail programs.

Our business development efforts are driven by the networking and sales efforts of our management, with our worldwide Salesforce software platform providing a common database of opportunities and clients and enhancing our local and global business development efforts. While local senior management focus on market-related activities, they are also part of the regional, national and international sales efforts, especially when the client is part of a multinational entity. In certain markets, sales efforts are also enhanced by management professionals focused solely on business development efforts on a market and national basis based on firm-wide and industry-focused initiatives. These business development professionals, teamed with the vice-presidents and client service teams, are responsible for initiating and fostering relationships with the senior management and decision makers of our targeted client companies.

We believe our national marketing efforts have effectively generated incremental revenues from existing clients and developed new client relationships. Our brand marketing initiatives help bolster Resources Global Professionals’ reputation in the markets we serve. Our brand is reinforced by our professionally designed website, print, and online advertising, direct marketing, seminars, initiative-oriented brochures, social media and public relations efforts. We believe our branding initiatives, coupled with our high-quality client service, help to differentiate us from our competitors and to establish Resources Global Professionals as a credible and reputable global professional services firm.

**Competition**

We operate in a competitive, fragmented market and compete for clients and consultants with a variety of organizations that offer similar services. Our principal competitors include:

- consulting firms;
- local, regional, national and international accounting and other traditional professional services firms;
- independent contractors;
- traditional and Internet-based staffing firms; and
- the in-house or former in-house resources of our clients.

We compete for clients based on the quality of professionals we bring to our clients, the knowledge base they possess, our ability to mobilize the right talent quickly, the scope and price of services, and the geographic reach of services. We believe our attractive value proposition, consisting of our highly qualified consultants, relationship-oriented approach and professional culture, enables us to compete effectively in the marketplace.

**Regulatory Environment**

Our operations are subject to regulations by federal, state, local and professional governing bodies and laws and regulations in various foreign countries, including, but not limited to, (a) licensing and registration requirements and (b) regulation of the employer/employee relationship, such as worker classification regulations, wage and hour regulations, tax withholding and reporting, immigration/H-1B visa regulations, social security and other retirement, antidiscrimination, and employee benefits and workers' compensation regulations. Our operations could be impacted by legislative changes by these bodies, particularly with respect to provisions relating to payroll and benefits, tax and accounting, employment, worker classification and data privacy. Due to the complex regulatory environment that we operate in, we remain focused on the compliance with governmental and professional organizations regulations. For more discussion of the potential impact that the regulatory environment could have on our financial results, refer to Item 1A "Risk Factors".

**Available Information**

Our principal executive offices are located at 17101 Armstrong Avenue, Irvine, California 92614. Our telephone number is (714) 430-6400 and our website address is https://www.rgp.com. The information set forth in our website does not constitute part of this Annual Report on Form 10-K. We file our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 with the SEC electronically. These reports are maintained on the SEC's website at http://www.sec.gov.

A copy of our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K and amendments to those reports may also be obtained free of charge on the Investor Relations page of our website at https://ir.rgp.com as soon as reasonably practicable after we file such reports with the SEC.

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

The risks described below should be considered carefully before a decision to buy shares of our common stock is made. The order of the risks is not an indication of their relative weight or importance. The risks and uncertainties described below are not the only ones facing us but do represent those risks and uncertainties we believe are material to us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also adversely impact and impair our business. If any of the following risks actually occur, our business could be harmed. In that case, the trading price of our common stock could decline, and all or part of the investment in our common stock might be lost. When determining whether to buy our common stock, other information in this Annual Report on Form 10-K, including our financial statements and the related notes should also be reviewed.

***Risks Related to the Business Environment***

***Our business is subject to risks arising from epidemic diseases, such as the ongoing COVID-19 pandemic.***

A pandemic, including COVID-19, or other public health epidemic poses the risk that we or our employees and partners may be prevented from conducting business activities at full capacity for an indefinite period of time, including due to the spread of the virus or due to shutdowns that are requested or mandated by governmental authorities. The current Pandemic and governmental measures intended to reduce its spread have affected, and may continue to affect, how we operate, including, among other things, by reducing demand for or delaying client decisions to procure our services, or resulting in cancellations of existing projects. We may also experience a decline in productivity, adversely impacting our ability to continue to serve our clients efficiently. The Pandemic may also have impacted, and may continue to impact, the overall financial condition of some of our clients and their ability to pay outstanding receivables owed to us.

We have followed government mandatory stay-at-home orders when required, and limited all non-essential travel worldwide for our employees, which have negatively impacted, and could continue to negatively affect our business, especially in certain regions with continued high rates of infection of COVID-19. Although our operations have started to stabilize in a majority of the markets in which we operate, the lingering adverse effects of the Pandemic could continue into fiscal 2022. The full extent to which the Pandemic impacts our business and financial results 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.

***Economic conditions or changes in the use of outsourced professional services consultants could adversely affect our business.***

The Pandemic has caused disruptions in the U.S. and global economy, and uncertainty regarding general economic conditions within some regions and countries in which we operate has led to reluctance on the part of some companies to spend on discretionary projects. This has partially contributed to a decrease in hours worked and the number of professional services consultants at Resources Global Professionals from fiscal 2020 to 2021. Deterioration of or prolonged uncertainty related to the global economy or tightening credit markets could further reduce the demand for our services and adversely affect our business in the future. In addition, the use of professional services consultants on a project-by-project basis could decline for non-economic reasons, including due to clients utilizing their own internal employees, due to competitive reasons, due to a lack of qualified consultants and for the other reasons described elsewhere in this Item 1A. In the event of a reduction in the demand for our consultants, our financial results would suffer.

Economic deterioration at one or more of our clients may also affect our allowance for doubtful accounts. Our estimate of losses resulting from our clients' failure to make required payments for services rendered has historically been within our expectations and the provisions established. While our overall receivable collections have not been severely impacted by the Pandemic, we cannot guarantee we will continue to experience the same credit loss rates we have in the past. A significant change in the liquidity or financial position of our clients could cause unfavorable trends in receivable collections and cash flows and additional allowances may be required. These additional allowances could materially affect our future financial results.

In addition, we are required periodically, and at least annually, to assess the recoverability of certain assets, including deferred tax assets, long-lived assets and goodwill. Downturns in the U.S. and international economies could adversely affect our evaluation of the recoverability of deferred tax assets, long-lived assets and goodwill. Although the additional tax valuation allowances and the impairment of long-lived assets and goodwill are non-cash expenses, they could materially affect our future financial results and financial condition.

***The market for professional services is highly competitive, and if we are unable to compete effectively against our competitors, our business and operating results could be adversely affected.***

We operate in a competitive, fragmented market, and we compete for clients and consultants with a variety of organizations that offer similar services. Our principal competitors include: consulting firms; local, regional, national and international accounting and other traditional professional services firms; independent contractors; traditional and Internet-based staffing firms; and the in-house or former in-house resources of our clients. The competition is likely to increase in the future due to the expected growth of the market and the relatively few barriers to entry.

We cannot provide assurance that we will be able to compete effectively against existing or future competitors. Many of our competitors have significantly greater financial resources, greater revenues and greater name recognition, which may afford them an advantage in attracting and retaining clients and consultants and in offering pricing concessions. Some of our competitors in certain markets do not provide medical and other benefits to their consultants, thereby allowing them to potentially charge lower rates to clients. In addition, our competitors may be able to respond more quickly to changes in companies' needs and developments in the professional services industry.

***Risks Related to Human Capital Resources***

***We must provide our clients with highly qualified and experienced consultants, and the loss of a significant number of our consultants, or an inability to attract and retain new consultants, could adversely affect our business and operating results.***

Our business involves the delivery of professional services, and our success depends on our ability to provide our clients with highly qualified and experienced consultants who possess the skills and experience necessary to satisfy their needs. At various times, such professionals can be in great demand, particularly in certain geographic areas or if they have specific skill sets. Our ability to attract and retain consultants with the requisite experience and skills depends on several factors including, but not limited to, our ability to:

- provide our consultants with either full-time or flexible-time employment;
- obtain the type of challenging and high-quality projects that our consultants seek;
- provide competitive compensation and benefits; and
- provide our consultants with flexibility as to hours worked and assignment of client engagements.

There can be no assurance we will be successful in accomplishing any of these factors and, even if we are, we cannot assure we will be successful in attracting and retaining the number of highly qualified and experienced consultants necessary to maintain and grow our business.

***Our business could suffer if we lose the services of one or more key members of our senior management.***

Our future success depends upon the continued employment of our senior management team. The unforeseen departure of one or more key members of our senior management team could significantly disrupt our operations if we are unable to successfully manage the transition. The replacement of members of senior management can involve significant time and expense and create uncertainties that could delay, prevent the achievement of, or make it more difficult for us to pursue and execute on our business opportunities, which could have an adverse effect on our business, financial condition and operating results.

Further, due to legal restrictions prohibiting non-compete agreements in certain jurisdictions, we generally do not have non-compete agreements with our employees, including our senior management team, and, therefore, they could terminate their employment with us at any time. Our ability to retain the services of members of our senior management and other key employees could be impacted by a number of factors, including competitors' hiring practices or the effectiveness of our compensation programs. If members of our senior management or other key employees leave us for any reason, they could pursue other employment opportunities with our competitors or otherwise compete with us. If we are unable to retain the services of these key personnel or attract and retain other qualified and experienced personnel on acceptable terms, our business, financial condition and operating results could be adversely affected.

***Significant increases in wages or payroll-related costs could have a material adverse effect on our financial results.***

We are required to pay a number of federal, state and local payroll related costs for our employees and consultants, including providing certain benefits such as medical insurance, paid time off and sick leave, and paying unemployment taxes, workers' compensation insurance premiums and claims, and FICA and Medicare taxes. These costs could be increased by changes to local laws and regulations. Costs could also increase as a result of health care reforms or the possible imposition of additional requirements and restrictions related to the placement of personnel. We may not be able to increase the fees charged to our clients in a timely manner or in a sufficient amount to cover these potential cost increases.

***Risks Related to Our Business Operations and Initiatives***

***Our business depends upon our ability to secure new projects from clients and renew expired contracts, and we could be adversely affected if we fail to do so.***

We generally do not have long-term agreements with our clients for the provision of services and our clients may terminate engagements with us at any time. The success of our business is dependent on our ability to secure new projects from clients or to renew expired contracts with clients. For example, our business is likely to be materially adversely affected if we are unable to secure new client projects because of improvements in our competitors' service offerings, because of a change in government regulatory requirements, because of an economic downturn decreasing the demand for outsourced professional services, or for other reasons. New impediments to our ability to secure projects from clients may develop over time, such as the increasing use by large clients of in-house procurement groups that manage their relationship with service providers.

If we are not able to replace the revenue from our expired client contracts, either through follow-on contracts or new contracts for those requirements or for other requirements, our revenue and operating results may be adversely affected. On the expiration of a contract, we typically seek a new contract or subcontractor role relating to that client to replace the revenue generated by the expired contract. There can be no assurance that those expiring contracts we are servicing will continue after their expiration, that the client will re-procure those requirements, that any such re-procurement will not be restricted in a way that would eliminate us from the competition, or that we will be successful in any such re-procurements or in obtaining subcontractor roles. Any factor that diminishes client relationships and/or our professional reputation could make it substantially more difficult for us to compete successfully for new engagements and qualified consultants. To the extent our client relationships and/or professional reputation deteriorate, our revenue and operating results could be adversely affected.

***Our financial results could suffer if we are unable to achieve or maintain a suitable pay/bill ratio.***

Our consultant cost structure is primarily variable in nature, and our profitability depends to a large extent on the level of pay/bill ratio achieved. Our failure to maintain or increase the hourly rates we charge our clients for our services or to pay an adequate and competitive rate to our consultants in order to maintain a suitable pay/bill ratio could compress our gross margin and adversely impact our profitability.

The pay rates of our consultants are affected by a number of factors, including:

- the skill sets and qualifications our consultants possess;

- the competition for talent; and
- current labor market and economic conditions.

The billing rates of our consultants are affected by a number of factors, including:

- our clients' perception of our ability to add value through our services;
- the market demand for the services we provide;
- introduction of new services by us or our competitors;
- our competition and the pricing policies of our competitors; and
- current economic conditions.

If we are unable to achieve a desirable pay/bill ratio, our financial results could materially suffer. In addition, a limited number of clients are requesting certain engagements be a fixed fee rather than our traditional hourly time and materials approach, thus shifting a portion of the burden of financial risk and monitoring to us.

***We derive significant revenue and profits from contracts awarded through a competitive bidding process, which can impose substantial costs on us, and we will lose revenue and profits if we fail to compete effectively.***

We derive significant revenue and profits from contracts that are awarded through a competitive bidding process. Competitive bidding imposes substantial costs and presents a number of risks, including the:

- Substantial cost and managerial time and effort that we spend to prepare bids and proposals;
- Need to estimate accurately the resources and costs that will be required to service any contracts we are awarded, sometimes in advance of the final determination of their full scope; and
- Opportunity cost of not bidding on and winning other contracts we may have otherwise pursued.

To the extent we engage in competitive bidding and are unable to win particular contracts, we not only incur substantial costs in the bidding process that negatively affect our operating results, but we may lose the opportunity to operate in the market for the services provided under those contracts for a number of years. Even if we win a particular contract through competitive bidding, our profit margins may be depressed, or we may even suffer losses as a result of the costs incurred through the bidding process and the need to lower our prices to overcome competition.

***Our contracts may contain provisions that are unfavorable to us and permit our clients to, among other things, terminate our contracts partially or completely at any time prior to completion.***

Our contracts typically contain provisions that allow our clients to terminate or modify these contracts at their convenience on short notice. If a client terminates one of our contracts for convenience, we generally can only bill the client for work completed prior to the termination, plus any commitments and settlement expenses the client agrees to pay, but not for any work not yet performed. If a client were to terminate, decline to exercise options under, or curtail further performance under one or more of our major contracts, our revenue and operating results could be adversely affected.

***We may be unable to realize the level of benefit that we expect from our restructuring initiatives, which may adversely impact our business and results of operations.***

We may be unable to realize some or all of the anticipated benefits of restructuring initiatives we have undertaken, which may adversely impact our business and results of operations. In response to changes in industry and market conditions, we have undertaken in the past, and may undertake in the future, restructuring, reorganization, or other strategic initiatives and business transformation plans to realign our resources with our growth strategies, operate more efficiently and control costs. For example, we initiated a 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") in September 2020. The successful implementation of our restructuring activities may from time to time require us to effect business and asset dispositions, workforce reductions, management restructurings, decisions to limit investments in or otherwise exit businesses, office consolidations and closures, and other actions, each of which may depend on a number of factors that may not be within our control.

Any such effort to realign or streamline our organization may result in the recording of restructuring or other charges, such as asset impairment charges, contract and lease termination costs, exit costs, termination benefits, and other restructuring costs. Further, as

a result of restructuring initiatives, we may experience a loss of continuity, loss of accumulated knowledge and/or inefficiency, adverse effects on employee morale, loss of key employees and/or other retention issues during transitional periods. Reorganization and restructuring can impact a significant amount of management and other employees' time and focus, which may divert attention from operating and growing our business. Further, upon completion of any restructuring initiatives, our business may not be more efficient or effective than prior to the implementation of the plan and we may be unable to achieve anticipated operating enhancements or cost reductions, which would adversely affect our business, competitive position, operating results and financial condition.

***Our recent digital expansion and technology transformation efforts may not be successful, which could adversely impact our growth and profitability.***

One of our primary areas of focus for fiscal 2021 and fiscal 2022 is digital expansion, which includes the development and launch of our human cloud platform aimed at introducing a new way for clients and talent alike to engage with us and expanding go-to-market penetration for the business we acquired from Veracity. We are also making investments in the transformation of our technology systems to keep up with technological changes that impact the needs of our clients, the delivery of our services and the efficiency of our back-office operations. These investments require significant capital expenditures. If we are unable to execute these initiatives successfully, we may not realize our anticipated return on investment and may not be able to realize the benefits expected, which could adversely impact our growth and profitability.

***We may not be able to build an efficient support structure as our business continues to grow and transform.***

As our business continues to grow and transform, we may not be able to build an efficient support structure. For example, in fiscal 2020 we launched our Borderless Talent initiative in response to the Pandemic to evolve towards and facilitate a virtual operating model. With this initiative, we seek to provide borderless solutions, anytime, anywhere, bringing the best talent to meet our clients' business needs, based on workload, not zip code. The successful implementation of such initiatives requires adjusting and strengthening of our business operations, financial and talent management systems, procedures and controls and compliance, which may increase our total operating costs and adversely impact our profitability and growth.

New business strategies and initiatives, such as these, can be time consuming for our management team and disruptive to our operations. New business initiatives could also involve significant unanticipated challenges and risks including not advancing our business strategy, not realizing our anticipated return on investment, experiencing difficulty in implementing initiatives, or diverting management's attention from our other businesses. These events could cause material harm to our business, operating results or financial condition.

***We may not be able to grow our business, manage our growth or sustain our current business.***

Historically, we have grown by opening new offices and by increasing the volume of services provided through existing offices. Beginning late in fiscal 2017, we embarked on several new strategic initiatives, including the implementation of a new operating model to be more center led instead of geographically focused, to drive growth and scale. As noted above, we undertook the North America and APAC Plan in March 2020 and the European Plan in September 2020 to analyze our physical geographic footprint and real estate spend in those areas. We have worked to focus investment dollars in high growth core markets for greater impact and to shift to a virtual operating model in certain other markets. There can be no assurance we will be able to maintain or expand our market presence in our current locations, successfully enter other markets or locations or successfully operate our business virtually without a physical presence in all our markets. Our ability to continue to grow our business will depend upon an improving global economy and a number of factors, including our ability to:

- grow new client base and penetrate our existing client base;
- expand profitably into new geographies;
- drive growth in core markets, key industry verticals and solution offerings such as digital transformation services;
- provide additional professional service offerings;
- hire qualified and experienced consultants;
- maintain margins in the face of pricing pressure; and
- manage costs

Even if we are able to resume more rapid growth in our revenue, the growth will result in new and increased responsibilities for our management as well as increased demands on our internal systems, procedures and controls, and our administrative, financial, marketing and other resources. Failure to adequately respond to these new responsibilities and demands may adversely affect our business, financial condition and results of operations.

***Our ability to serve clients internationally is integral to our strategy and our international activities expose us to additional operational challenges we might not otherwise face.***

Our international activities require us to confront and manage several risks and expenses we would not face if we conducted our operations solely in the U.S. Any of these risks or expenses could cause a material negative effect on our operating results. These risks and expenses include:

- difficulties in staffing and managing foreign offices as a result of, among other things, distance, language and cultural differences;
- exposure to labor laws and regulations in foreign countries;
- expenses associated with customizing our professional services for clients in foreign countries;
- foreign currency exchange rate fluctuations when we sell our professional services in denominations other than U.S. dollars;
- protectionist laws and business practices that favor local companies;
- political and economic instability in some international markets;
- multiple, conflicting and changing government laws and regulations;
- trade barriers;
- compliance with stringent and varying privacy laws in the markets in which we operate;
- compliance with regulations on international business, including the Foreign Corrupt Practices Act, the United Kingdom Bribery Act of 2010 and the anti-bribery laws of other countries;
- reduced protection for intellectual property rights in some countries;
- potentially adverse tax consequences; and
- restrictions on the ability to repatriate profits to the U.S. or otherwise move funds.

***We have acquired, and may continue to acquire, companies, and these acquisitions could disrupt our business.***

We have acquired several companies, including two in each of fiscal 2020 and fiscal 2018, and we may continue to acquire companies in the future. Entering into an acquisition entails many risks, any of which could harm our business, including:

- diversion of management's attention from other business concerns;
- failure to integrate the acquired company with our existing business;
- failure to motivate, or loss of, key employees from either our existing business or the acquired business;
- failure to identify certain risks or liabilities during the due diligence process;
- potential impairment of relationships with our existing employees and clients;
- additional operating expenses not offset by additional revenue;
- incurrence of significant non-recurring charges;
- incurrence of additional debt with restrictive covenants or other limitations;
- addition of significant amounts of intangible assets, including goodwill, that are subject to periodic assessment of impairment, with such non-cash impairment potentially resulting in a material impact on our future financial results and financial condition;
- dilution of our stock as a result of issuing equity securities; and
- assumption of liabilities of the acquired company.

Our failure to be successful in addressing these risks or other problems encountered in connection with our past or future acquisitions could cause us to fail to realize the anticipated benefits of such acquisitions, incur unanticipated liabilities and harm our business generally.

***Our recent rebranding efforts may not be successful. In addition, we may be unable to adequately protect our intellectual property rights, including our brand name.***

We believe establishing, maintaining and enhancing the RGP and Resources Global Professionals brand names are important to our business. We rely on trademark registrations and common law trademark rights to protect the distinctiveness of our brand. In fiscal 2020, we launched a significant global rebranding initiative. However, there can be no assurance that our rebranding initiative will result in a positive return on investment. In addition, there can be no assurance that the actions we have taken to establish and protect our trademarks will be adequate to prevent use of our trademarks by others. Further, not all of our trademarks were successfully registered in all of our desired countries. Accordingly, we may not be able to claim or assert trademark or unfair competition claims against third parties for any number of reasons. For example, a judge, jury or other adjudicative body may find that the conduct of competitors does not infringe or violate our trademark rights. In addition, third parties may claim that the use of our trademarks and branding infringe, dilute or otherwise violate the common law or registered marks of that party, or that our marketing efforts constitute unfair competition. Such claims could result in injunctive relief prohibiting the use of our marks, branding and marketing activities as well as significant damages, fees and costs. If such a claim was made and we were required to change our name or any of our marks, the value of our brand may diminish and our results of operations and financial condition could be adversely affected.

***Risks Related to Information Technology, Cybersecurity and Data Protection***

***Our computer hardware and software and telecommunications systems are susceptible to damage, breach or interruption.***

The management of our business is aided by the uninterrupted operation of our computer and telecommunication systems. These systems are vulnerable to security breaches, natural disasters or other catastrophic events, computer viruses, ransomware attacks, or other interruptions or damage stemming from power outages, equipment failure or unintended or unauthorized usage by employees. In addition, we rely on information technology systems to process, transmit and store electronic information and to communicate among our locations around the world and with our clients, partners and consultants. The breadth and complexity of this infrastructure increases the potential risk of security breaches. Security breaches, including ransomware attacks, cyber-attacks or cyber-intrusions by computer hackers, foreign governments, cyber terrorists or others with grievances against the industry in which we operate or us in particular, may disable or damage the proper functioning of our networks and systems and result in a significant disruption of our business and potentially significant payments to restore the networks and systems. We review and update our systems and have implemented processes and procedures to protect against security breaches and unauthorized access to our data. Despite our implementation of security controls, our systems and networks are vulnerable to computer viruses, malware, worms, hackers and other security issues, including physical and electronic break-ins, router disruption, sabotage or espionage, disruptions from unauthorized access and tampering (including through social engineering such as phishing attacks), impersonation of authorized users and coordinated denial-of-service attacks. For example, in the past we have experienced cyber security incidents resulting from unauthorized access to our systems, which to date have not had a material impact on our business or results of operations; however, there is no assurance that such impacts will not be material in the future. In addition, our transition of certain of our employees to remote working during the Pandemic could also increase our vulnerability to risks related to our hardware and software systems, including risks of phishing and other cybersecurity attacks. Our systems may be subject to additional risk introduced by software that we license from third parties. This licensed software may introduce vulnerabilities within our own operations as it is integrated with our systems, or as we provide client services through partnership agreements.

It is also possible our security controls over personal and other data may not prevent unauthorized access to, or destruction, loss, theft, misappropriation or release of personally identifiable or other proprietary, confidential, sensitive or valuable information of ours or others; this access could lead to potential unauthorized disclosure of confidential personal, Company or client information that others could use to compete against us or for other disruptive, destructive or harmful purposes and outcomes. Any such disclosure or damage to our networks and systems could subject us to third party claims against us and reputational harm, including statutory damages under California law, regulatory penalties and significant costs of breach investigation, remediation and notification. If these events occur, our ability to attract new clients may be impaired or we may be subjected to damages or penalties. In addition, system-wide or local failures of these information technology systems could have a material adverse effect on our business, financial condition, results of operations or cash flows.

***Legal and Regulatory Risks***

***Failure to comply with data privacy laws and regulations could have a materially adverse effect on our reputation, results of operations or financial condition, or have other adverse consequences.***

Our employees may have access or exposure to personally identifiable or otherwise confidential information and customer data and systems, the misuse of which could result in legal liability. The collection, hosting, transfer, disclosure, use, storage and security of personal information required to provide our services is subject to federal, state and foreign data privacy laws. These laws, which are not uniform, do one or more of the following: regulate the collection, transfer (including in some cases, the transfer outside the country of collection), processing, storage, use and disclosure of personal information, and require notice to individuals of privacy practices;

give individuals certain access, correction and deletion rights with respect to their personal information; and prevent the use or disclosure of personal information for secondary purposes such as marketing. Under certain circumstances, some of these laws require us to provide notification to affected individuals, data protection authorities and/or other regulators in the event of a data breach.

In many cases, these laws apply not only to third-party transactions, but also to transfers of information among us and our subsidiaries. Under the European General Data Protection Regulation (the "GDPR"), data transfers from the European Union to the United States are generally prohibited unless certain measures are followed. Significantly, the Court of Justice of the European Union issued a decision in 2020 in the *Schrems II* case that invalidated one of the mechanisms, the Privacy Shield, and called into question another mechanism, the Standard Contractual Clauses ("SCC"). The European Commission recently adopted a new set of SCCs. Complying with the enhanced obligations imposed by the GDPR may result in additional costs to our business and require us to amend certain of our business practices.

Laws and regulations in this area are evolving and generally becoming more stringent. For example, the New York State Department of Financial Services has issued cybersecurity regulations that outline a variety of required security measures for protection of data. Other U.S. states, including California and South Carolina, have also recently enacted cybersecurity laws requiring certain security measures of regulated entities that are broadly similar to GDPR requirements, and we expect other states will follow suit. As these laws continue to evolve, we may be required to make changes to our systems, services, solutions and/or products to enable us and/or our clients to meet the new legal requirements, including by taking on more onerous obligations in our contracts, limiting our storage, transfer and processing of data and, in some cases, limiting our service and/or solution offerings in certain locations. Changes in these laws, or the interpretation and application thereof, may also increase our potential exposure through significantly higher potential penalties for non-compliance. The costs of compliance with, and other burdens imposed by, such laws and regulations and client demand in this area may limit the use of, or demand for, our services, solutions and/or products, make it more difficult and costly to meet client expectations, or lead to significant fines, penalties or liabilities for noncompliance, any of which could adversely affect our business, financial condition, and results of operations.

***Failure to comply with governmental, regulatory and legal requirements or with our company-wide Code of Business Conduct and Ethics, Compliance Policy for Anti-Bribery and Anti-Corruption Laws, Insider Trading Policy, and other policies could lead to governmental or legal proceedings that could expose us to significant liabilities and damage our reputation.***

We are subject to governmental, regulatory and legal requirements in each jurisdiction in which we operate. While we seek to remain in compliance with such legal and regulatory requirements, there may be changes to regulatory schemes in jurisdictions in which we operate that are outside our control and our efforts to remain in compliance with such changes may adversely affect our business and operating results.

We have a robust Code of Business Conduct and Ethics, Compliance Policy for Anti-Bribery and Anti-Corruption Laws, Insider Trading Policy, and other policies and procedures that are designed to educate and establish the standards of conduct that we expect from our executive officers, outside directors, employees, consultants and independent contractors. These policies require strict compliance with U.S. and local laws and regulations applicable to our business operations, including those laws and regulations prohibiting improper payments to government officials. In addition, as a corporation whose securities are registered under the Exchange Act and publicly traded on the Nasdaq Stock Market, our executive officers, outside directors, employees, consultants and independent contractors are required to comply with the prohibitions against insider trading of our securities. Nonetheless, we cannot assure our stakeholders that our policies, procedures and related training programs will ensure full compliance with all applicable legal requirements. Illegal or improper conduct by our executive officers, directors, employees, consultants or independent contractors, or others who are subject to our policies and procedures could damage our reputation in the U.S. and internationally, which could adversely affect our existing client relationships or adversely affect our ability to attract and retain new clients, or lead to litigation or governmental or regulatory proceedings in the U.S. or foreign jurisdictions, which could result in civil or criminal penalties, including substantial monetary awards, fines and penalties, as well as disgorgement of profits.

***We may be legally liable for damages resulting from the actions of our employees, the performance of projects by our consultants or for our clients' mistreatment of our personnel.***

Many of our engagements with our clients involve projects or services critical to our clients' businesses. If we fail to meet our contractual obligations, we could be subject to legal liability or damage to our reputation, which could adversely affect our business, operating results and financial condition. While we are not currently subject to any client-related legal claims which we believe are material, it remains possible, because of the nature of our business, we may be involved in litigation in the future that could materially affect our future financial results. Claims brought against us could have a serious negative effect on our reputation and on our business, financial condition and results of operations.

Because we are in the business of placing our personnel in the workplaces of other companies, we are subject to possible claims by our personnel alleging discrimination, sexual harassment, negligence and other similar activities by our clients. We may also be

subject to similar claims from our clients based on activities by our personnel. We may also be subject to claims of or relating to wrongful termination, violations of employment rights related to employment screening or privacy issues; misclassification of workers as employees or independent contractors; violations of wage and hour requirements and other labor laws; employment of undocumented noncitizens; criminal activity; torts; breach of contract; failure to protect confidential personal information; intentional criminal misconduct; misuse or misappropriation of client intellectual property; employee benefits; or other claims. In some cases, we are contractually obligated to indemnify our clients against such risks. The cost of defending such claims, even if groundless, could be substantial and the associated negative publicity could adversely affect our ability to attract and retain personnel and clients. We could also be subject to injunctive relief, criminal investigations and/or charges, monetary damages or fines that may be significant, or other material adverse effects on our business. To reduce our exposure, we maintain policies, procedures and guidelines to promote compliance with laws, rules, regulations and best practices applicable to our business. We also maintain insurance coverage for professional malpractice liability, fidelity, employment practices liability and general liability in amounts and with deductibles that we believe are appropriate for our operations. However, our insurance coverage may not cover all potential claims against us, may require us to meet a deductible or may not continue to be available to us at a reasonable cost. In this regard, we face various employment-related risks not covered by insurance, such as wage and hour laws and employment tax responsibility. U.S. courts in recent years have been receiving large numbers of wage and hour class action claims.

In addition, the use or misuse of social media by our employees or others could reflect negatively on us or our clients and could have a material adverse effect on our business, financial condition and results of operations. The available legal remedies for the use or misuse of social media may not adequately compensate us for the damages caused by such use or misuse and consequences arising from such actions.

***Changes in applicable tax laws or adverse results in tax audits or interpretations could have a material adverse effect on our business and operating results.***

We are subject to income and other taxes in the U.S. at the federal and state level and also in foreign jurisdictions. Future changes in applicable tax laws and regulations, including changes in tax rates in the jurisdictions in which we operate, are outside our control and are difficult to predict given the political, budgetary and other challenges. Such changes could adversely affect our business and operating results.

We are also subject to periodic federal, state and local tax audits for various tax years. Although we attempt to comply with all taxing authority regulations, adverse findings or assessments made by taxing authorities as the result of an audit could have a material adverse effect on us.

***Reclassification of our independent contractors by foreign tax or regulatory authorities could have an adverse effect on our business model and/or could require us to pay significant retroactive wages, taxes and penalties.***

Internationally, our consultants are a blend of employees and independent contractors. Independent contractor arrangements are more common abroad than in the U.S. due to the labor laws, tax regulations and customs of the international markets we serve. However, changes to foreign laws governing the definition or classification of independent contractors, or judicial decisions regarding independent contractor classification could require classification of consultants as employees. Such reclassification could have an adverse effect on our business and results of operations, could require us to pay significant retroactive wages, taxes and penalties, and could force us to change our contractor business model in the foreign jurisdictions affected.

***Risks Related to Our Corporate and Capital Structure***

***It may be difficult for a third party to acquire us, and this could depress our stock price.***

Delaware corporate law and our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could delay, defer or prevent a change of control of the Company or our management. These provisions could also discourage proxy contests and make it difficult for our stockholders to elect directors and take other corporate actions. As a result, these provisions could limit the price that future investors are willing to pay for our shares. These provisions:

- authorize our board of directors to establish one or more series of undesignated preferred stock, the terms of which can be determined by the board of directors at the time of issuance;
- divide our board of directors into three classes of directors, with each class serving a staggered three-year term. Because the classification of the board of directors generally increases the difficulty of replacing a majority of the directors, it may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us and may make it difficult to change the composition of the board of directors;
- prohibit cumulative voting in the election of directors which, if not prohibited, could allow a minority stockholder holding a sufficient percentage of a class of shares to ensure the election of one or more directors;

- require that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing;
- state that special meetings of our stockholders may be called only by the chairman of the board of directors, by our chief executive officer, by the board of directors after a resolution is adopted by a majority of the total number of authorized directors, or by the holders of not less than 10% of our outstanding voting stock;
- establish advance notice requirements for submitting nominations for election to the board of directors and for proposing matters that can be acted upon by stockholders at a meeting;
- provide that certain provisions of our certificate of incorporation and bylaws can be amended only by supermajority vote (a 66 2/3% majority) of the outstanding shares. In addition, our board of directors can amend our bylaws by majority vote of the members of our board of directors;
- allow our directors, not our stockholders, to fill vacancies on our board of directors; and
- provide that the authorized number of directors may be changed only by resolution of the board of directors.

***The terms of our credit facility impose operating and financial restrictions on us, which may limit our ability to respond to changing business and economic conditions.***

We currently have a $120.0 million secured revolving credit facility which is available through October 17, 2022. We are subject to various operating covenants under the credit facility which restrict our ability to, among other things, incur liens, incur additional indebtedness, make certain restricted payments, merge or consolidate and make dispositions of assets. The credit facility also requires us to comply with financial covenants limiting our total funded debt, minimum fixed charge coverage ratio and maximum leverage ratio. Any failure to comply with these covenants may constitute a breach under the credit facility, which could result in the acceleration of all or a substantial portion of any outstanding indebtedness and termination of revolving credit commitments under the credit facility. Our inability to maintain our credit facility could materially and adversely affect our liquidity and our business.

***Our credit facility bears a variable rate of interest that is based on the London Interbank Offered Rate (“LIBOR”) which may have consequences for us that cannot be reasonably predicted and may increase our cost of borrowing in the future.***

Borrowings under our credit facility bear interest at a rate per annum of either, at the Company’s option, (i) LIBOR plus a margin or (ii) an alternate base rate plus a margin, with the applicable margin depending on the Company’s consolidated leverage ratio. The LIBOR benchmark has been the subject of national, international, and other regulatory guidance and proposals for reform. In July 2017, the U.K. Financial Conduct Authority announced that it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. However, for U.S. dollar LIBOR, the relevant date was deferred to June 30, 2023 for certain tenors (including overnight and one, three, six and 12 months), at which time the LIBOR administrator will cease publication of U.S. dollar LIBOR. Despite this deferral, the LIBOR administrator has advised that no new contracts using U.S. dollar LIBOR should be entered into after December 31, 2021. These actions indicate that the continuation of U.S. LIBOR on the current basis cannot be guaranteed after June 30, 2023. Moreover, it is possible that U.S. LIBOR will be discontinued or modified prior to June 30, 2023. While regulators in various jurisdictions have been working to replace LIBOR, it is unclear whether new agreed-upon benchmark rates will be established. Although our credit facility provides for alternative reference rates, such alternative reference rates and the consequences of the phase-out of LIBOR cannot be entirely predicted at this time. An alternative reference rate could be higher or more volatile than LIBOR prior to its discontinuance, which could result in an increase in the cost of our indebtedness, impacting our financial condition and results of operations. Additionally, the U.S. or global financial markets may be disrupted as a result of the phase-out of LIBOR, which could also have a material adverse effect on our business, financial condition and results of operations.

***We may be unable to or elect not to pay our quarterly dividend payment.***

We currently pay a regular quarterly dividend, subject to quarterly board of director approval. The payment of, or continuation of, the quarterly dividend is at the discretion of our board of directors and is dependent upon our financial condition, results of operations, capital requirements, general business conditions, tax treatment of dividends in the U.S., contractual restrictions contained in credit agreements and other agreements and other factors deemed relevant by our board of directors. We can give no assurance that dividends will be declared and paid in the future. The failure to pay the quarterly dividend, reduction of the quarterly dividend rate or the discontinuance of the quarterly dividend could adversely affect the trading price of our common stock.

**ITEM 1B.** ***UNRESOLVED STAFF COMMENTS.***

Not applicable.

**ITEM 2.** ***PROPERTIES.***

As of May 29, 2021, we maintained 27 domestic offices, all under operating lease agreements (except for the Irvine, California location), in the following metropolitan areas:

| | | |
|---|---|---|
| Irvine, California | Atlanta, Georgia | Cranberry Township, Pennsylvania |
| Los Angeles, California (2) | Chicago, Illinois | Philadelphia, Pennsylvania |
| Mountain View, California | Oakbrook Terrace, Illinois | Pittsburgh, Pennsylvania |
| Sacramento, California | Indianapolis, Indiana | Fort Worth, Texas |
| Santa Clara, California | Detroit, Michigan | Dallas, Texas |
| San Diego, California | Parsippany, New Jersey | Houston, Texas |
| San Francisco, California | New York, New York | Seattle, Washington |
| Denver, Colorado | Charlotte, North Carolina | Richmond, Virginia |
| Tampa, Florida | Cleveland, Ohio | |

As of May 29, 2021, we maintained 22 international offices under operating lease agreements, located in the following cities and countries:

| | | |
|---|---|---|
| Sydney, Australia | Tokyo, Japan | Shanghai, People’s Republic of China |
| Muenster, Germany | Petaling Jaya, Malaysia | Manila, Philippines |
| Munich, Germany | Mexico City, Mexico | Seoul, South Korea |
| Cologne, Germany | Amsterdam (Utrecht), Netherlands | Singapore |
| Dusseldorf, Germany | Beijing, People’s Republic of China | Zurich, Switzerland |
| Berlin, Germany | Hong Kong, People’s Republic of China | Taipei, Taiwan |
| Bangalore, India | Guangzhou, People’s Republic of China | London, United Kingdom |
| Mumbai, India | | |

Other Segments utilize all offices in Germany and one of the offices in Los Angeles, California, and share our office in New York, New York with RGP. All remaining offices are utilized by RGP. Our corporate offices are located in Irvine, California. We own an approximately 57,000 square foot office building in Irvine, California, of which we occupied approximately 40,000 square feet as of May 29, 2021, including space occupied by our Orange County, California practice. Approximately 13,000 square feet is leased to independent third parties, and 4,000 square feet is vacant.

**ITEM 3.** ***LEGAL PROCEEDINGS.***

We are not currently subject to any material legal proceedings; however, we are a party to various legal proceedings arising in the ordinary course of our business.

**ITEM 4.** ***MINE SAFETY DISCLOSURES*.**

Not applicable.

**PART II**

**ITEM 5.** ***MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.***

**Market Information and Holders**

Our common stock is listed on The Nasdaq Stock Market LLC and trades on the Nasdaq Global Select Market under the symbol "RGP." As of July 14, 2021, the last reported sales price on Nasdaq of our common stock was $13.71 per share and the approximate number of holders of record of our common stock was 38 (a holder of record is the name of an individual or entity that an issuer carries in its records as the registered holder (not necessarily the beneficial owner) of the issuer's securities).

**Dividend Policy**

Our board of directors has established a quarterly dividend, subject to quarterly board of directors' approval. Pursuant to declaration and approval by our board of directors, we declared a dividend of $0.14 per share of common stock during each quarter in fiscal 2021 and 2020, and $0.13 per share of common stock during each quarter in fiscal 2019. On April 15, 2021, our board of directors declared a regular quarterly dividend of $0.14 per share of our common stock. The dividend was paid on June 10, 2021 to stockholders of record at the close of business on May 13, 2021. Continuation of the quarterly dividend will be at the discretion of our board of directors and will depend upon our financial condition, results of operations, capital requirements, general business condition, contractual restrictions contained in our current or future credit agreements and other agreements, and other factors deemed relevant by our board of directors.

**Issuances of Unregistered Securities**

None.

**Issuer Purchases of Equity Securities**

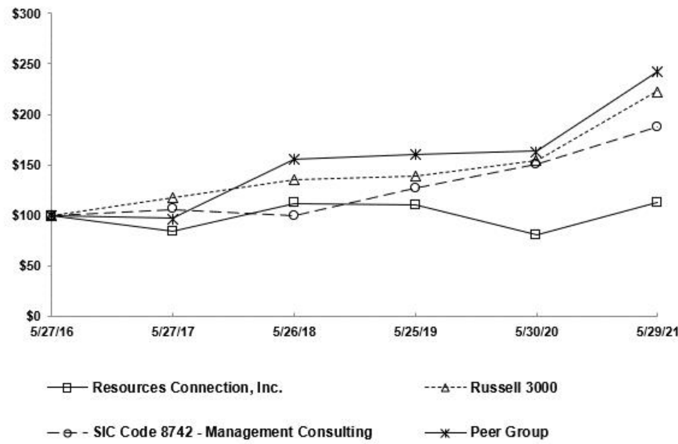
In July 2015, our board of directors approved a stock repurchase program, authorizing the purchase, at the discretion of our senior executives, of our common stock for an aggregate dollar limit not to exceed $150.0 million. Subject to the aggregate dollar limit, the currently authorized stock repurchase 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.

There were no repurchases of our common stock during the fourth quarter of fiscal 2021.

**Performance Graph**

Set forth below is a line graph comparing the annual percentage change in the cumulative total return to the holders of our common stock against the cumulative total return of each of the Russell 3000 Index, a customized peer group consisting of eight companies listed below the following table and a combined classification of companies under Standard Industry Codes as 8742-Management Consulting Services, in each case for the five years ended May 29, 2021. The graph assumes $100 was invested at market close on May 27, 2016 in our common stock and in each index (based on prices from the close of trading on May 27, 2016), and that all dividends are reinvested. Stockholder returns over the indicated period may not be indicative of future stockholder returns.

*The information contained in the performance graph shall not be deemed to be "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that we specifically incorporate it by reference into such filing.*




| | For the Fiscal Years Ended | | | | | |
|---|---|---|---|---|---|---|
| | May 27, 2016 | May 27, 2017 | May 26, 2018 | May 25, 2019 | May 30, 2020 | May 29, 2021 |
| Resources Connection, Inc. | $ 100.00 | $ 83.95 | $ 112.14 | $ 110.21 | $ 81.16 | $ 112.47 |
| Russell 3000 | $ 100.00 | $ 117.69 | $ 135.42 | $ 138.80 | $ 154.71 | $ 222.64 |
| SIC Code 8742 - Management Consulting | $ 100.00 | $ 106.08 | $ 99.95 | $ 127.42 | $ 150.54 | $ 187.10 |
| Peer Group | $ 100.00 | $ 96.97 | $ 155.39 | $ 160.80 | $ 163.56 | $ 242.55 |

Our customized peer group includes the following eight professional services companies that we believe reflect the competitive landscape in which we operate and acquire talent: CRA International, Inc.; FTI Consulting, Inc.; Heidrick & Struggles International, Inc.; Hudson Global, Inc.; Huron Consulting Group Inc.; ICF International, Inc.; Kforce, Inc.; and Korn Ferry. Our compensation committee, a committee of our board of directors comprised of independent directors, reviews the composition of the peer group annually to ensure its alignment with our size, practice areas, business model delivery and geographic reach.

**ITEM 6.** ***RESERVED***

On November 19, 2020, the SEC adopted certain amendments to Regulation S-K, including to remove and reserve Item 301 thereof. The final rules became effective on February 10, 2021. The Company has chosen to adopt the recent amendments and omit the disclosure formerly required by Item 301 of Regulation S-K.

**ITEM 7.** ***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 financial statements and related notes. This discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors including, but not limited to, those discussed in Part I, Item 1A. "Risk Factors." and elsewhere in this Annual Report on Form 10-K. See "Forward Looking Statements" above for further explanation.

**Overview**

Resources Global Professionals is a global consulting firm helping clients match the right professional talent needed to tackle transformation, change and compliance challenges. 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. Our engagements are designed to leverage human connection and collaboration to deliver practical solutions and more impactful results that power our clients, consultants and partners' success.

Disrupting the professional services industry since our founding in 1996, we are the "now of work" – attracting 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 for the work at hand with speed and efficiency. Our approach to workforce strategy uniquely positions us to help our clients transform their businesses and workplaces. See Part 1, Item 1 "Business" for further discussions about our business and operations.

***Key Transformation Initiatives***

Over the last several years, we have made strides to ensure our company is truly global, scalable and distinctive in our culture and approach to professional services. We completed a number of transformative enterprise initiatives including cultivating a more robust sales culture, adopting a center-led operating model for sales, talent and delivery, refreshing the RGP brand, and developing a digital pathway to serve our clients through building and commercializing our digital engagement platform and enhancing our consulting capabilities in the digital transformation space.

To optimize our sales organization, we aligned our sales process using tools such as Salesforce.com and implemented a new incentive compensation program focused on driving growth in our business with the appropriate metrics. In addition, we focused on client-centricity, including the establishment of our Strategic Client Account Program to serve a set of our largest global multi-national clients with a dedicated account team and our key industry vertical in healthcare. We will continue to invest in building broader and deeper relationships in these important clients to enhance the stickiness of our revenue stream.

Under the new operating model, we realigned our organizational structure, largely defined by functional area rather than on an office location basis. We reorganized our Advisory and Project Services function, a team of seller-doer professionals whose primary responsibility is to shepherd sales pursuits and engagement delivery on our more complex projects. We believe this team deepens the scoping conversation, achieves value-oriented pricing and improves delivery management through greater accountability and a more seamless customer experience.

Through an extensive brand refresh project, we adopted a new brand identity focused on our human-centered approach to serving clients and engaging with our consultants. We believe the continued development of our new brand will attract and retain both clients and consultants, supporting future revenue growth.

Over recent years, explosive technological innovation has fueled the rise of digital transformation as a corporate imperative. Our clients have been forced to rethink the way they do business to stay ahead and compete with digitally native new entrants. In order to support our clients – including these digitally native businesses—we have evolved significantly to help clients solve their digital needs including automation, functional process redesign and technology migration. We acquired Veracity in 2019 to help us build end-to-end digital solutions for our clients who strive to automate workflows and increase collaboration – which has become even more important given the increasingly virtual nature of today's workforce as a result of the Pandemic.

As the Pandemic struck in the fourth quarter of our fiscal 2020, we evolved our business to be more virtual and borderless. We launched the Borderless Talent initiative, changing our employment paradigm and client delivery model by finding and matching qualified talent with appropriate skill sets for specific project needs on a global basis. As remote work became more mainstream, our borderless talent management and deployment further enhanced our capabilities to serve multinational clients in a seamless manner, broadened our client reach in markets where we do not have a physical presence, allowed for improved operation efficiency while offering clients and consultants more choice and agility. As the economy opens up, our ability to flex seamlessly between traditional on-premise and virtual models will offer greater optionality in how we deliver projects and our go-to-market motion. Supply and demand alignment is a key operating principle which we believe can be truly streamlined in a world of borderless talent. Removing the constraint of geo-fencing our consultants based on locality has opened up new avenues of opportunity for both our clients and our talent. This enables us to attract and retain talent on a broader geographic basis and allows for additional opportunities in terms of prospect cultivation, client engagement and project delivery.

For RGP's clients specifically, the Pandemic has hastened the shift to fluid talent strategies as a dynamic force for improving corporate performance. In other words, in a world filled with technology change, demographic shifts, and economic uncertainty, having the right talent in the right place at the right time has become an imperative to compete and thrive in today's business environment. As we move into more of a post-pandemic environment, the added dimension of evolving labor preferences toward remote work, additional flexibility and increased choice, has resulted in drastic changes to the human capital marketplace. These factors explain why a growing number of large enterprises now define staffing needs with agility in mind. We believe the agile talent strategies that are taking hold today, play to our strengths and capabilities.

***Fiscal 2021 Strategic Focus Areas***

Our strategic focus areas in fiscal 2021 were:

- Furthering our digital expansion through the launch of our human cloud platform and expanded go-to-market penetration for the business we acquired from Veracity
- Growing our core business through our strategic client and industry vertical programs
- Right sizing and controlling our cost structure globally, and optimizing our operations to achieve higher operating leverage

Our primary area of focus for fiscal 2021 was digital expansion and we have made solid strides in this area. We are substantially ready to pilot our human cloud platform with select clients in the fall of calendar 2021, which introduces a new way for clients and talent alike to engage with us. Our efforts also include expanding the go-to-market penetration for Veracity and launching a new Digital Technology Practice in the Asia Pacific region, which is expected to enhance 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 and integrating Veracity with the rest of the RGP business operations has generated positive returns throughout fiscal 2021, with Veracity revenue growing 39.2% compared to fiscal 2020 and the Technology and Digital solution offerings becoming one of the key drivers for accelerating the overall RGP revenue recovery during fiscal 2021. We believe the Pandemic and the resulting increase in virtual or remote delivery arrangements have and will continue to accelerate digital transformation agendas in our existing client base and create opportunities for us to engage with new clients.

The second focus area for this fiscal year was building our core business, including through the growth of our strategic client and key industry vertical programs, particularly in healthcare. The continued evolution of our 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. We are working to further penetrate our existing core accounts at a time when many are looking to reduce fixed costs by moving toward more flexible workforce strategies and building relationships with higher value partners for project execution needs. We are also actively extending our offerings to new buyers within these organizations – like Chief Digital, Chief People and Chief Marketing Officers. We see strong growth momentum in our biggest clients and robust opportunity in the healthcare industry 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. We believe these client needs align well with the capabilities of our dedicated industry group.

Finally, with the goal to strengthen the business and right size our cost structure globally, we have substantially completed our restructuring initiatives across North America, APAC and Europe. The North America and APAC Plan, which we initiated in the fourth quarter of fiscal 2020, and the European Plan which we initiated in the second quarter of fiscal 2021 (collectively, the " Restructuring Plans"), consisted 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 core high growth clients; and (ii) a strategic rationalization of our physical geographic footprint and real estate spend to focus investment dollars on high growth core markets for greater impact. As of May 29, 2021, we have substantially completed the reduction in force under the Restructuring Plans, and recognized substantially all of the associated expected employee termination costs. Additionally, we made solid progress in executing our real estate exit strategy, with all of the planned lease terminations in Europe and 79% of the planned lease terminations in North America completed as of May 29, 2021, generating substantial savings in occupancy costs. We expect to continue to push for a more virtual footprint beyond the

Restructuring Plans, although the exact amount and timing of the expenses and resulting payments associated with our real estate exit plans are subject to a number of variables which may not be within our control, such as the condition of the real estate/leasing market. We believe the successful execution of the Restructuring Plans has allowed us to operate with agility, resilience and efficiency heading into fiscal 2022.

See Note 13 – *Restructuring Activities* in the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K and "Results of Operations" below for additional disclosures regarding the impact of the Restructuring Plans on our results of operations and cash flows during the year ended May 29, 2021.

**COVID-19 Impact and Outlook**

The Pandemic has adversely impacted our business in the past year including, among other things, reducing demand for or delaying client decisions to procure our services. In response to the Pandemic, we evolved our operating model to be more virtual and borderless. The move to virtual and borderless talent helped us manage supply and demand more efficiently, which resulted in faster revenue generation and reduced consultant turnover, mitigating the negative impact of the Pandemic.

During fiscal 2021, our revenue declined 10.5% from the prior year, or 10.2% on a same day constant currency basis, as the Pandemic started to impact the Company on a worldwide basis in the fourth quarter of fiscal 2020. We reached a trough in our revenue during the first quarter of fiscal 2021 and have since experienced a steady recovery in each sequential quarter thereafter. By the fourth quarter of fiscal 2021, our revenue, although declined 3.5% year over year, exceeded the prior year quarter on a same day constant currency basis by 1.2%. Given the timing of our fiscal period and the latent impact of the Pandemic in the fourth quarter of fiscal 2020, we did not yet see the full impact of the recovery from the Pandemic in our results in the fourth quarter of fiscal 2021. While the adverse financial impact of the Pandemic is undeniable, it has also accelerated certain macro trends that we believe allow us to operate from a position of strength. These include the increased use of contingent talent, virtual or remote delivery becoming mainstream and new client attitudes toward borderless talent models. The increasing value that CEO and other C-suite decision-makers place on workforce flexibility and agility helped propel the robust momentum in our professional staffing revenue growth in fiscal 2021. In strengthening our core business, we expect to continue to evolve our client engagement and talent delivery model to take advantage of these important shifts.

As further described in "Fiscal 2021 Strategic Focus Areas" above, we have substantially completed our restructuring initiatives across the globe as of the end of fiscal 2021. We believe these actions initiated ahead of the onset of the Pandemic have enabled us to operate with greater agility, as we seek to ensure our organizational health and resilience, and weather the challenges associated with the Pandemic. In order to strengthen our liquidity during the Pandemic, we took proactive measures to increase our cash on hand including, but not limited to, borrowing $39 million under our secured revolving credit facility in the fourth quarter of fiscal 2020, reducing discretionary spending, and focusing on receivables collections efforts. We also elected to defer the deposit of our employer portion of social security taxes from April to December 2020, as provided for under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Due to our focused efforts to contain costs and manage working capital, we generated healthy cash flows from our operations to afford the ability to repay a total of $45 million on our borrowings during fiscal 2021 and another $10 million subsequently on June 9, 2021. In addition, we elected to repay a total of $6.3 million in deferred deposit of our employer portion of social security taxes prior to May 29, 2021. See "Liquidity and Capital Resources" below for additional information. Until we have further visibility into the continued lingering impact of the Pandemic on the global economy, we will remain focused on the health of our balance sheet and liquidity, cost containment and strategic allocation of resources to drive key growth initiatives in core markets and the expansion of our digital capabilities.

As of the close of fiscal 2021, our operations have stabilized in a majority of the markets in which we operate, although we expect that some lingering adverse effects of the Pandemic could continue into fiscal 2022. 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.

Heading into fiscal 2022, we are encouraged by the revenue acceleration and the continued improvements in sales and pipeline metrics, including win percentage, close won amount and average deal size, as well as the continued recovery of our average bill rate, as our clients rebound from the challenges caused by the Pandemic and resume or increase their discretionary spending, especially on advisory projects driven by digital transformation imperatives as a result of the Pandemic, and continue to shift towards a more agile workforce model. With sustained strength in our pipeline and accelerated revenue conversion, we remain optimistic about our position to capitalize on the positive dynamic of an economy in continued recovery.

**Critical Accounting Policies and Estimates**

The discussion and analysis of our financial condition and results of operations included in this Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, are based upon our Consolidated Financial Statements, which

have been prepared in accordance with GAAP in the United States. The preparation of these financial statements requires us to make estimates and judgments 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.

We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions.

The following represents a summary of our critical accounting policies and estimates, defined as those policies and estimates we believe: (a) are the most important to the portrayal of our financial condition and results of operations and (b) involve inherently uncertain issues that require management's most subjective or complex judgments.

*Allowance for doubtful accounts* — We maintain an allowance for doubtful accounts for estimated losses resulting from our clients failing to make required payments for services rendered. We estimate this allowance based upon our knowledge of the financial condition of our clients (which may not include knowledge of all significant events), review of historical receivable and reserve trends and other pertinent information. While such losses have historically been within our expectations and the provisions established, we cannot guarantee that we will continue to experience the same credit loss rates we have in the past. As of May 29, 2021 and May 30, 2020, we had an allowance for doubtful accounts of $2.0 million and $3.1 million, respectively. A significant change in the liquidity or financial position of our clients could cause unfavorable trends in receivable collections and additional allowances may be required. These additional allowances could materially affect our future financial results.

*Income taxes* — In order to prepare our Consolidated Financial Statements, we are required to make estimates of income taxes, if applicable, in each jurisdiction in which we operate. The process incorporates an assessment of any income subject to taxation in each jurisdiction together with temporary differences resulting from different treatment of transactions for tax and financial statement purposes. These differences result in deferred tax assets and liabilities that are included in our Consolidated Balance Sheets. The recovery of deferred tax assets from future taxable income must be assessed and, to the extent recovery is not likely, we will establish a valuation allowance. An increase in the valuation allowance results in recording additional tax expense and any such adjustment may materially affect our future financial result. If the ultimate tax liability differs from the amount of tax expense we have reflected in the Consolidated Statements of Operations, an adjustment of tax expense may need to be recorded and this adjustment may materially affect our future financial results and financial condition. We also evaluate our uncertain tax positions and only recognize the tax benefit from an uncertain tax position if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50 percentage likelihood of being realized upon settlement. We record a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. Any change in judgment related to the expected ultimate resolution of uncertain tax positions is recognized in earnings in the period in which such change occurs. As of May 29, 2021 and May 30, 2020, a valuation allowance of $13.3 million and $11.1 million was established on deferred tax assets totaling $31.9 million and $25.1 million, respectively. Our income tax for the years ended May 29, 2021, May 30, 2020 and May 25, 2019 was a benefit of $2.5 million, an expense of $6.9 million and an expense of $16.5 million, respectively. Our total liability for unrecognized tax benefits was $0.9 million and $0.8 million as of May 29, 2021 and May 30, 2020, respectively.

*Revenue recognition* — Revenues are recognized when control of the promised service is transferred to our clients, in an amount that reflects the consideration expected in exchange for the services. Revenue is recorded net of sales or other transaction taxes collected from clients and remitted to taxing authorities. Revenues from contracts are recognized over time, based on hours worked by our professionals. The performance of the agreed-upon service over time is the single performance obligation for revenues. Certain clients may receive discounts (for example, volume discounts or rebates) to the amounts billed. These discounts or rebates are considered variable consideration. Management evaluates the facts and circumstances of each contract and client relationship to estimate the variable consideration assessing the most likely amount to recognize and considering management's expectation of the volume of services to be provided over the applicable period. Rebates are the largest component of variable consideration and are estimated using the most likely amount method prescribed by Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, contracts terms and estimates of revenue. Revenues are recognized net of variable consideration to the extent that it is probable that a significant reversal of revenues will not occur in subsequent periods. Changes in estimates would result in cumulative catch-up adjustments and could materially impact our financial results. Rebates recognized as contra-revenue for the years ended May 29, 2021, May 30, 2020 and May 25, 2019 were $2.6 million, $1.4 million and $1.5 million, respectively.

*Stock-based compensation* — Under our 2020 Performance Incentive Plan, officers, employees, and outside directors have received or may receive grants of restricted stock, restricted stock units, performance stock units, options to purchase common stock or other stock or stock-based awards. Under our ESPP, eligible officers and employees may purchase our common stock in accordance with the terms of the plan.

We estimate the fair value of stock-based payment awards on the date of grant as described below. We determine the estimated value of restricted stock and restricted stock unit awards using the closing price of our common stock on the date of grant. We have

elected to use the Black-Scholes option-pricing model for our stock options and stock purchased under our ESPP which takes into account assumptions regarding a number of highly complex and subjective variables. These variables include the expected stock price volatility over the term of the awards and actual and projected employee stock option exercise behaviors. Additional variables to be considered are the expected term, expected dividends and the risk-free interest rate over the expected term of our employee stock options. We use our historical volatility over the expected life of the stock option award and ESPP option award to estimate the expected volatility of the price of our common stock. The risk-free interest rate assumption is based upon observed interest rates appropriate for the term of our employee stock options. The impact of expected dividends ($0.14 per share for each quarter during fiscal 2021 and 2020 and $0.13 per share for each quarter during fiscal 2019) is also incorporated in determining the estimated value per share of employee stock option grants and purchases under our ESPP. Such dividends are subject to quarterly board of director approval. Our expected life of stock option grants is 5.6 years for non-officers and 8.1 years for officers, and the expected life of grants under our ESPP is 6 months. We review the underlying assumptions related to stock-based compensation at least annually or more frequently if we believe triggering events exist.

In addition, because stock-based compensation expense recognized in the Consolidated Statements of Operations is based on awards ultimately expected to vest, it is reduced for estimated forfeitures. Forfeitures are estimated at the time of grant and revised in subsequent periods if actual forfeitures differ from those estimates. Forfeitures are estimated based on historical experience. We review the underlying assumptions related to stock-based compensation at least annually or more frequently if we believe triggering events exist. If facts and circumstances change and we employ different assumptions in future periods, the compensation expense recorded may differ materially from the amount recorded in the current period. Stock-based compensation expense for the years ended May 29, 2021, May 30, 2020 and May 25, 2019 was $6.6 million, $6.1 million and $6.6 million, respectively.

*Valuation of long-lived assets* — For long-lived tangible and intangible assets, including property and equipment, right-of-use assets, and finite-lived intangible assets, we assess the potential impairment periodically or whenever events or changes in circumstances indicate the carrying value may not be recoverable from the estimated undiscounted expected future cash flows expected to result from their use and eventual disposition. In cases where the estimated undiscounted expected future cash flows are less than net book value, an impairment loss is recognized equal to the amount by which the net book value exceeds the estimated fair value of assets. We performed our assessment of potential qualitative impairment indicators of long-lived assets, including property and equipment, right-of-use assets outside of exited markets, and finite-lived intangible assets as of May 29, 2021. We determined that for such long-lived assets, no impairment indicators were present as of May 29, 2021, and no impairment charge was recorded during fiscal 2021. For right-of-use assets within exited markets as we continue to execute the Restructuring Plans and move towards a more virtual footprint in certain markets, we assess the potential impairment whenever an impairment indicator was present. For further discussion regarding impairment of right-of-use assets in exited markets, see Note 13 – *Restructuring Activities* in the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K. Estimating future cash flows requires significant judgment, and our projections may vary from the cash flows eventually realized. Future events and unanticipated changes to assumptions could result in an impairment in the future. Although the impairment is a non-cash expense, it could materially affect our future financial results and financial condition.

*Valuation of goodwill* — Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination. We evaluate goodwill for impairment annually on the last day of our fiscal year, and whenever events indicate that it is more likely than not that the fair value of a reporting unit could be less than its carrying amount. In assessing the recoverability of goodwill, we make a series of assumptions including forecasted revenue and costs, estimates of future cash flows, discount rates and other factors, which requires significant judgment. A potential impairment in the future, although a non-cash expense, could materially affect our financial results and financial condition.

In testing the goodwill of our reporting units for impairment, we have the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of each of our reporting units is less than their respective carrying amounts. If it is deemed more likely than not that the fair value of a reporting unit is greater than its carrying value, no further testing is needed and goodwill is not impaired. Otherwise, the next step is a quantitative comparison of the fair value of the reporting unit to its carrying amount. We have the option to bypass the qualitative assessment for any reporting unit and proceed directly to performing the quantitative goodwill impairment test. If a reporting unit's estimated fair value is equal to or greater than that reporting unit's carrying value, no impairment of goodwill exists and the testing is complete. If the reporting unit's carrying amount is greater than the estimated fair value, then a non-cash impairment charge is recorded for the amount of the difference, not exceeding the total amount of goodwill allocated to the reporting unit.

Under the quantitative analysis, the estimated fair value of goodwill is determined by using a combination of a market approach and an income approach. The market approach estimates fair value by applying revenue and EBITDA multiples to each reporting unit's operating performance. The multiples are derived from guideline public companies with similar operating and investment characteristics to our reporting units, and are evaluated and adjusted, if needed, based on specific characteristics of the reporting units relative to the selected guideline companies. The market approach requires us to make a series of assumptions that involve significant judgment, such as the selection of comparable companies and the evaluation of the multiples. The income approach estimates fair value based on our estimated future cash flows of each reporting unit, discounted by an estimated weighted-average cost of capital that reflects the relevant

risks associated with each reporting unit and the time value of money. The income approach also requires us to make a series of assumptions that involve significant judgment, such as discount rates, revenue projections and adjusted EBITDA margin projections. We estimate our discount rates on a blended rate of return considering both debt and equity for comparable guideline public companies. We forecast our revenue and adjusted EBITDA margin based on historical experience and internal forecasts about future performance.

The following is a discussion of our goodwill impairment tests performed during fiscal 2021.

*Second Quarter 2021 Goodwill Impairment Test*

As further discussed in Note 2 – *Summary of Significant Accounting Policies* and Note 18 – *Segment Information and Enterprise Reporting* in the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K and in "Operating Results of Segment" below, effective in the second quarter of fiscal 2021, we revised our historical one segment position and identified the following new operating segments: RGP, *taskforce* and Sitrick, each of which represents a reporting unit. Concurrent with the segment change, we completed a goodwill impairment assessment using the quantitative analysis, as further discussed above, and concluded that no goodwill impairment existed immediately before or after the change in segment reporting. We reallocated goodwill to the new reporting units on the relative fair value basis.

*2021 Annual Goodwill Impairment Analysis*

We performed our annual goodwill impairment test as of May 29, 2021 on our three reporting units. Considering the recent quantitative goodwill impairment analysis completed and the conclusion reached, we elected to perform a qualitative analysis and assessed the relevant events and circumstances to determine if it is more likely than not that the fair value of any of our reporting units is less than its respective carrying amount. We considered such events and circumstance including, macroeconomic factors, industry and market conditions, financial performance indicators and measurements, and other factors. Based on our assessment of these factors, we do not believe that it is more likely than not that the fair value of any of our reporting units is less than its respective carrying value, and no further testing is needed. We concluded that there was no goodwill impairment as of May 29, 2021.

While we believe that the assumptions underlying our quantitative and qualitative assessment are reasonable, these assumptions could have a significant impact on whether or not a non-cash impairment charge is recognized and also the magnitude of such charge. The results of an impairment analysis are as of a point in time. There is no assurance that the actual future earnings or cash flows of our reporting units will be consistent with our projections. We will continue to monitor any changes to our assumptions and will evaluate goodwill as deemed warranted during future periods.

*Business combinations* — We allocate the fair value of the purchase consideration of our acquisitions to the tangible assets, liabilities, and intangible assets acquired based on their estimated fair values. Purchase price allocations for business acquisitions require significant judgments, particularly with regards to the determination of value of identifiable assets, liabilities, and goodwill. Often third-party specialists are used to assist in valuations requiring complex estimation. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred.

Purchase agreements related to certain business acquisitions may include provisions for the payment of additional cash consideration if certain future performance conditions are met. These contingent consideration arrangements are recognized at their acquisition date fair value and included as part of the purchase price at the acquisition date. These contingent consideration arrangements are classified as accrued liabilities or other long-term liabilities in our Consolidated Balance Sheets and are remeasured to fair value at each reporting period, with any change in fair value being recognized in the applicable period's results of operations. Measuring the fair value of contingent consideration at the acquisition date, and for all subsequent remeasurement periods, requires a careful examination of the facts and circumstances to determine the probable resolution of the contingency(ies). We utilize the Monte Carlo simulation model and estimate fair value of the contingent consideration based on unobservable input variables related to meeting the applicable contingency conditions as per the terms of the applicable agreements. Total contingent consideration liabilities were $7.1 million and $7.9 million as of May 29, 2021 and May 30, 2020, respectively. Contingent consideration adjustment was an expense of $4.5 million and $0.8 million, respectively, for the years ended May 29, 2021 and May 30, 2020, respectively, and a benefit of $0.6 million for the year ended May 25, 2019.

**Results of Operations**

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

Our operating results for the periods indicated are expressed as a percentage of revenue below. The fiscal years ended May 29, 2021, May 30, 2020 and May 25, 2019 consisted of 52, 53, and 52 weeks, respectively. (Amounts in thousands, except percentages.)

| | For the Years Ended | | | | | |
|---|---|---|---|---|---|---|
| | May 29, 2021 | | May 30, 2020 | | May 25, 2019 | |
| Revenue | $ 629,516 | 100.0 % | $ 703,353 | 100.0 % | $ 728,999 | 100.0 % |
| Direct cost of services | 388,112 | 61.7 | 427,870 | 60.8 | 446,560 | 61.3 |
| Gross profit | 241,404 | 38.3 | 275,483 | 39.2 | 282,439 | 38.7 |
| Selling, general and administrative expenses | 209,326 | 33.3 | 228,067 | 32.4 | 223,802 | 30.7 |
| Amortization of intangible assets | 5,228 | 0.8 | 5,745 | 0.8 | 3,799 | 0.5 |
| Depreciation expense | 3,897 | 0.6 | 5,019 | 0.8 | 4,679 | 0.6 |
| Income from operations | 22,953 | 3.6 | 36,652 | 5.2 | 50,159 | 6.9 |
| Interest expense, net | 1,600 | 0.2 | 2,061 | 0.3 | 2,190 | 0.3 |
| Other income | (1,331) | (0.2) | (637) | (0.1) | - | - |
| Income before provision for income taxes | 22,684 | 3.6 | 35,228 | 5.0 | 47,969 | 6.6 |
| Income tax (benefit) expense | (2,545) | (0.4) | 6,943 | 1.0 | 16,499 | 2.3 |
| Net income | $ 25,229 | 4.0 % | $ 28,285 | 4.0 % | $ 31,470 | 4.3 % |

**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 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 before amortization of intangible assets, depreciation expense, interest and income taxes plus stock-based compensation expense, restructuring 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** | | **Three Months Ended** | | **For the Years Ended** | |
|---|---|---|---|---|---|---|
| | **May 29, 2021** | **February 27, 2021** | **May 29, 2021** | **May 30, 2020** | **May 29, 2021** | **May 30, 2020** |
| **(Amounts in thousands, except number of business days)** | (Unaudited) | | (Unaudited) | | (Unaudited, except for GAAP amounts) | |
| **North America** | | | | | | |
| As reported (GAAP) | $ 141,518 | $ 127,913 | $ 141,518 | $ 148,568 | $ 512,777 | $ 580,185 |
| Currency impact | (4) | | (384) | | 8 | |
| Business days impact | (8,709) | | 8,685 | | 6,105 | |
| Same day constant currency revenue | $ 132,805 | | $ 149,819 | | $ 518,890 | |
| **Europe** | | | | | | |
| As reported (GAAP) | $ 19,371 | $ 17,751 | $ 19,371 | $ 18,383 | $ 72,496 | $ 74,546 |
| Currency impact | 37 | | (1,817) | | (4,679) | |
| Business days impact | 316 | | 1,570 | | 938 | |
| Same day constant currency revenue | $ 19,724 | | $ 19,124 | | $ 68,755 | |
| **Asia Pacific** | | | | | | |
| As reported (GAAP) | $ 11,429 | $ 10,967 | $ 11,429 | $ 11,618 | $ 44,243 | $ 48,622 |
| Currency impact | 222 | | (405) | | (1,241) | |
| Business days impact | (188) | | 711 | | 870 | |
| Same day constant currency revenue | $ 11,463 | | $ 11,735 | | $ 43,872 | |
| **Total Consolidated** | | | | | | |
| As reported (GAAP) | $ 172,318 | $ 156,631 | $ 172,318 | $ 178,569 | $ 629,516 | $ 703,353 |
| Currency impact | 255 | | (2,606) | | (5,912) | |
| Business days impact | (8,581) | | 10,966 | | 7,913 | |
| Same day constant currency revenue | $ 163,992 | | $ 180,678 | | $ 631,517 | |
| **Number of Business Days** | | | | | | |
| North America (1) | 65 | 61 | 65 | 69 | 252 | 255 |
| Europe (2) | 62 | 63 | 62 | 67 | 253 | 257 |
| Asia Pacific (2) | 62 | 61 | 62 | 66 | 247 | 252 |

*(1) This represents the number of business days in the U.S.*
*(2) This represents the number of business days in the 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 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, the most directly comparable GAAP financial measure:

| | Three Months Ended | | For the Years Ended | | |
|---|---|---|---|---|---|
| | May 29, 2021 | May 30, 2020 | May 29, 2021 | May 30, 2020 | May 25, 2019 |
| | (Amounts in thousands, except percentages) | | | | |
| Net income | $ 23,248 | $ 4,067 | $ 25,229 | $ 28,285 | $ 31,470 |
| Adjustments: | | | | | |
| Amortization of intangible assets | 1,104 | 1,592 | 5,228 | 5,745 | 3,799 |
| Depreciation expense | 943 | 1,106 | 3,897 | 5,019 | 4,679 |
| Interest expense, net | 284 | 535 | 1,600 | 2,061 | 2,190 |
| Income tax (benefit) expense | (7,814) | 2,948 | (2,545) | 6,943 | 16,499 |
| Stock-based compensation expense | 1,674 | 1,408 | 6,613 | 6,057 | 6,570 |
| Restructuring costs | (185) | 4,982 | 8,260 | 4,982 | - |
| Contingent consideration adjustment | 1,460 | 1,914 | 4,512 | 794 | (590) |
| Adjusted EBITDA | $ 20,714 | $ 18,552 | $ 52,794 | $ 59,886 | $ 64,617 |
| Revenue | $ 172,318 | $ 178,569 | $ 629,516 | $ 703,353 | $ 728,999 |
| Adjusted EBITDA Margin | 12.0% | 10.4% | 8.4% | 8.5% | 8.9% |

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 or other cash flow data 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 but rather considered in addition to performance measures calculated in accordance with GAAP.

**Year Ended May 29, 2021 Compared to Year Ended May 30, 2020**

Percentage change computations are based upon amounts in thousands. Fiscal 2021 consisted of 52 weeks while fiscal 2020 consisted of 53 weeks.

*Revenue.* Revenue decreased $73.8 million, or 10.5%, to $629.5 million for the year ended May 29, 2021 from $703.4 million for the year ended May 30, 2020. Billable hours decreased by 10.4% year-over-year in fiscal 2021, while the average bill rate remained relatively consistent between the two periods. In fiscal 2021, we approached pricing opportunistically with certain clients when warranted but remained cautious to recover concessions and rebates extended during the Pandemic. On a same day constant currency basis, revenue decreased $71.8 million, or 10.2%, to $631.5 million for the year ended May 29, 2021 from $703.4 million for the year ended May 30, 2020.

The following table represents our GAAP consolidated revenues by geography:

| | For the Years Ended | | | |
|---|---|---|---|---|
| | May 29, 2021 | | May 30, 2020 | |
| | (Amounts in thousands, except percentages) | | | |
| North America | $ 512,777 | 81.5 % | $ 580,185 | 82.5 % |
| Europe | 72,496 | 11.5 | 74,546 | 10.6 |
| Asia Pacific | 44,243 | 7.0 | 48,622 | 6.9 |
| Total | $ 629,516 | 100.0 % | $ 703,353 | 100.0 % |

Revenue declined across all geographies during fiscal 2021 as compared to fiscal 2020 due to the adverse impact of the Pandemic and fewer business days in each geography in fiscal 2021.

North America experienced the most significant decline at 11.6%. Revenue level troughed during the first quarter of fiscal 2021 and has since recovered steadily in each quarter thereafter as uncertainties related to the Pandemic began to subside beginning in the second fiscal quarter as vaccine development advanced. We experienced sustained improvement in revenue momentum, especially in the fourth quarter, as both pipeline and sales productivity continued to pick up, resulting from the combination of better operational execution and some level of pent-up demand, especially in advisory projects, as clients begin to resume their discretionary spending and continue to accelerate their digital and workforce paradigm transformations. Certain macro trends accelerated by the Pandemic, including increased use of contingent talent and the shift towards a more agile workforce model also helped propel the momentum in professional staffing in fiscal 2021. Our European and Asia Pacific region experienced similar trends as North America in fiscal 2021 due to the Pandemic, albeit with a more modest decline of 2.7% and 9.0%, respectively. Europe's revenue decline of $2.1 million in fiscal 2021 was driven by the decline in revenue of $2.6 million as a result of exiting certain markets in connection with our restructuring initiative, partially offset by revenue growth in certain other European markets, as we continue to adopt an integrated global go-to-market approach to focus on serving our tier one multi-national clients in this region. Despite sporadic COVID-19 outbreaks in certain parts of Asia in the second half of fiscal 2021, revenue in Asia Pacific returned to pre-Pandemic level by the end of the fourth quarter.

To capitalize on the upward momentum in the macro environment across all three geographies, we focused our efforts on our strategic client accounts, core markets, key solution offerings as well as key industry verticals, and drove meaningful acceleration and growth in the second half of the fiscal year. During the fourth quarter of fiscal 2021, we achieved a 16.9% rebound in consolidated revenue compared to the first quarter trough in fiscal 2021. Although still a decline of 3.5% year over year, revenue in the fourth quarter of fiscal 2021 improved 1.2% from the prior year quarter on the same day constant currency basis. Given the timing of our fiscal period and the latent impact of the Pandemic in the fourth quarter of fiscal 2020, we did not yet see the full impact of the recovery from the Pandemic in our results in the fourth quarter of fiscal 2021.

*Direct Cost of Services.* Direct cost of services decreased $39.8 million, or 9.3%, to $388.1 million for the year ended May 29, 2021 from $427.9 million for the year ended May 30, 2020. The decrease is primarily due to a 10.4% decrease in billable hours between the two periods offset slightly by a 2.0% increase in the average consultant pay rates from fiscal 2020 to fiscal 2021.

Direct cost of services as a percentage of revenue was 61.7% for the year ended May 30, 2021 compared to 60.8% for the year ended May 30, 2020. The increased percentage compared to the prior year was partially attributable to an increase in the pay/bill ratio of 60 basis points, as the 0.8% increase in average bill rate was outpaced by the 2.0% increase in average pay rate during fiscal 2021 compared to fiscal 2020. This was primarily caused by a more opportunistic pricing approach with certain clients, while offering competitive pay rates to consultants as the labor market continues to tighten. Additionally, the increase in non-billable pay and unfavorable healthcare costs further contributed to the increased direct cost of services as a percentage of revenue. These negative impacts were partially offset by lower passthrough revenue from client reimbursement and less holiday pay due to the timing of the Memorial Day holiday which occurred after our fiscal 2021 year-end. Our target direct cost of services percentage is 60%.

The number of consultants on assignment at the end of fiscal 2021 was 2,902 compared to 2,495 at the end of fiscal 2020.

*Selling, General and Administrative Expenses ("SG&A").* SG&A expenses were $209.3 million, or 33.3% as a percentage of revenue, for the fiscal year ended May 29, 2021 compared to $228.1 million, or 32.4% as a percentage of revenue, for the fiscal year ended May 30, 2020. Contingent consideration and restructuring costs contributed $12.8 million and $5.8 million to SG&A expense in fiscal 2021 and 2020, respectively. Excluding contingent consideration and restructuring costs, SG&A expense improved $25.7 million, or 11.6%, compared to fiscal 2020. Management compensation and bonus and occupancy costs were reduced by $12.5 million and $3.5 million, respectively, compared to the prior year, primarily as a result of the restructuring initiatives the Company undertook at the end of fiscal 2020 and one less week included in fiscal 2021 compared to fiscal 2020. The Company continued to benefit from its virtual work environment and disciplined cost measures, reducing general business expenses by $5.7 million compared to the prior year. Additionally, the Company reduced its bad debt expense by $1.9 million compared to the prior year, as strengthened collections drove improvement in accounts receivable aging. The Company reduced its legal costs by $2.0 million primarily due to its continued spending discipline and the recovery of $1.0 million of legal costs during fiscal 2021 related to a collection case. Contingent consideration expense was $4.5 million in fiscal 2021 compared to $0.8 million in fiscal 2020.

*Restructuring charges.* We initiated our North America and APAC Plan in March 2020 and the European Plan in September 2020. All employee termination and facility exit costs incurred under the Restructuring Plans were associated with the RGP segment, as further discussed in Note 18 – *Segment Information and Enterprise Reporting* in the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K. Restructuring costs for the years ended May 29, 2021 and May 30, 2020 were as follows (in thousands):

| | For the Year Ended May 29, 2021 | | | For the Year Ended May 30, 2020 | | |
|---|---|---|---|---|---|---|
| | North America and APAC Plan | European Plan | Total | North America and APAC Plan | European Plan | Total |
| Employee termination costs | $ 1,024 | $ 4,838 | $ 5,862 | $ 3,927 | $ - | $ 3,927 |
| Real estate exit costs | 1,052 | 666 | 1,718 | 1,055 | - | 1,055 |
| Other costs | - | 680 | 680 | - | - | - |
| Total restructuring costs | $ 2,076 | $ 6,184 | $ 8,260 | $ 4,982 | $ - | $ 4,982 |

For further information on our restructuring initiatives, please refer to Note 13 – *Restructuring Activities* in the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K and “Fiscal 2021 Strategic Focus Areas” above.

*Amortization and Depreciation Expense*. Amortization of intangible assets was $5.2 million and $5.7 million in fiscal 2021 and fiscal 2020, 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 identifiable intangible assets acquired through Veracity and certain internally developed software put in service in the second quarter of fiscal 2021. Depreciation expense was $3.9 million and $5.0 million in fiscal 2021 and fiscal 2020, respectively. The decrease in depreciation expense was primarily due to computer equipment becoming fully-depreciated in periods prior to fiscal 2021, and the write-off of leasehold improvement as part of the real estate exit initiatives executed under the Restructuring Plans.

*Other Income.* Other income for fiscal 2021 was $1.3 million compared to $0.6 million for fiscal 2020. Other income in fiscal 2021 was primarily related to government COVID-19 relief funds received globally. Other income in fiscal 2020 was primarily related to the gain on the settlement of a pre-acquisition claim with the seller of Accretive, an acquisition completed in fiscal 2018.

*Interest Expense, Net.* Net interest expense for fiscal 2021, including commitment fees, was $1.6 million compared to $2.1 million in fiscal 2020. The decrease was due to a lower average interest rate in fiscal 2021 as compared to the prior fiscal year.

*Income Taxes.* Income tax was a benefit of $2.5 million (effective tax benefit rate of approximately 11.2%) for the year ended May 29, 2021 compared to an expense of $6.9 million (effective tax rate of approximately 19.7%) for the year ended May 30, 2020. We operate 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. We record tax expense based upon actual results versus a forecasted tax rate because of the volatility in the profitability of our international operations. The income tax benefit for fiscal 2021 was primarily related to our tax planning strategies under which we elected to make certain changes to the capitalization of fixed assets, resulting in an NOL carryback permitted under the CARES Act. As a result, we recognized a discrete tax benefit of $12.8 million in the fourth quarter of fiscal 2021, resulting in an overall effective tax benefit rate of 11.2% and an expected federal tax refund in the amount of $34.0 million that we expect to file for within the next 12 months. The prior year effective tax rate of 19.7% was primarily a result of a $6.6 million discrete tax benefit from the deduction of the investment basis in four European entities upon their dissolutions.

We recognized a breakeven and a net tax benefit of $0.2 million from compensation expense related to stock options, restricted stock awards, restricted stock units and disqualifying dispositions under our ESPP during fiscal 2021 and fiscal 2020, respectively.

We review the components of both book and taxable income to prepare the tax provision. There can be no assurance that our effective tax rate will remain constant in the future because of the lower benefit from the United States statutory rate for losses in certain foreign jurisdictions, the limitation on the benefit for losses in jurisdictions in which a valuation allowance for operating loss carryforwards has previously been established, our election to change certain tax methods, and the unpredictability of timing and the amount of disqualifying dispositions of certain stock options. Based upon current economic circumstances and our business performance, management will continue to monitor the need to record additional or release existing valuation allowances in the future, primarily related to certain foreign jurisdictions. Realization of the currently reserved foreign deferred tax assets is dependent upon generating sufficient future taxable income in those foreign territories.

We have maintained a position of being indefinitely reinvested in our foreign subsidiaries’ earnings by not expecting to remit foreign earnings in the foreseeable future. Being indefinitely reinvested does not require a deferred tax liability to be recognized on the foreign earnings. Management’s indefinite reinvestment position is supported by:

-  RGP in the United States has generated more than enough cash to fund operations and expansion, including acquisitions. RGP uses its excess cash to, at its discretion, return cash to stockholders through dividend payments and stock repurchases.
-  RGP has sufficient cash flow from operations in the United States to service its debt and other current or known obligations without requiring cash to be remitted from foreign subsidiaries.
-  Management's growth objectives include allowing cash to accumulate in RGP's profitable foreign subsidiaries with the expectation of finding strategic expansion plans to further penetrate RGP's most successful locations.
-  The consequences of distributing foreign earnings have historically been deemed to be tax inefficient for RGP or not materially beneficial.

**Operating Results of Segment**

As discussed in *Business Segments* in Item 1, Note 2 – *Summary of Significant Accounting Policies* and Note 18 – *Segment Information and Enterprise Reporting* in the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K, we revised our 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 our internal management structure and our 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 following table presents our operating results by segment. All prior year periods presented in the table and referenced below were recast to reflect the impact of the preceding segment changes (amounts in thousands, except percentages).

| | For the Years Ended | | | | | |
|---|---|---|---|---|---|---|
| | May 29, 2021 (2) | | | May 30, 2020 (2) | | |
| **Revenues:** | | | | | | |
| RGP | $ | 587,620 | 93.3 % | $ | 662,475 | 94.2 % |
| Other Segments | | 41,896 | 6.7 | | 40,878 | 5.8 |
| Total revenues | $ | 629,516 | 100.0 % | $ | 703,353 | 100.0 % |
| **Adjusted EBITDA:** | | | | | | |
| RGP | $ | 77,589 | 147.0 % | $ | 87,836 | 146.7 % |
| Other Segments | | 3,580 | 6.8 | | 2,601 | 4.3 |
| Reconciling Items (1) | | (28,375) | (53.8) | | (30,551) | (51.0) |
| Total Adjusted EBITDA | $ | 52,794 | 100.0 % | $ | 59,886 | 100.0 % |

*(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) Fiscal year 2020 consisted of 53 weeks. Fiscal year 2021 consisted of 52 weeks.*

*Revenue by Segment*

***RGP –*** RGP revenue decreased $74.9 million, or 11.3%, in fiscal 2021 compared to fiscal 2020, primarily as a result of a 10.8% decline in billable hours year-over-year. Revenue from RGP represents more than 90% of total consolidated revenue and generally reflects the overall consolidated revenue trend.

The number of consultants on assignment under the RGP segment as of May 29, 2021 was 2,795 compared to 2,407 as of May 30, 2020.

***Other Segments –*** Other Segments' revenue for fiscal 2021 increased $1.0 million, or 2.5%, compared to fiscal 2020. The revenue growth was primarily due to the continued revenue synergy generated from combining RGP Germany to operate under *taskforce* despite the adverse impact from the Pandemic and the more recent COVID-19 lock-downs in Germany.

The number of consultants on assignment under Other Segments as of May 29, 2021 was 107 compared to 88 as of May 30, 2020.

*Adjusted EBITDA by Segment*

***RGP –*** RGP adjusted EBITDA decreased $10.2 million, or 11.7%, in fiscal 2021, compared to fiscal 2020. Adjusted EBITDA margin decreased slightly by 6 basis points to 13.2% in fiscal 2021. Compared to the prior year, revenue decreased $74.9 million, which was partially offset by the decrease in cost of services of $42.0 million and significant cost savings of $22.0 million primarily in SG&A costs attributed to RGP. The trend in revenue, cost of services and other costs and expenses at RGP year-over-year is 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 improved $1.0 million, or 37.6%, in fiscal 2021 compared to fiscal 2020. Adjusted EBITDA margin increased by 220 basis points to 8.5% in fiscal 2021. The improvement in adjusted EBITDA and EBITDA margin was primarily attributable to the $2.1 million improvement in SG&A year-over-year, partially offset by higher cost of services as a percentage of revenue, mostly driven by lower utilization of fixed salaried consultants.

**Year Ended May 30, 2020 Compared to Year Ended May 25, 2019**

For a comparison of our results of operations at the consolidated level for the fiscal years ended May 30, 2020 and May 25, 2019, see Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year ended May 30, 2020, filed with the SEC on July 27, 2020 (File No. 0-32113).

*Operating Results of Segment*

As discussed in *Business Segments* in Item 1, Note 2 – *Summary of Significant Accounting Policies* and Note 18 – *Segment Information and Enterprise Reporting* in the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K, we reorganized our reporting segments in fiscal 2021, and the discussion and analysis for our reporting segments set forth below conform to the current presentation of our reporting segments. Amounts in thousands, except percentages.

| | For the Years Ended | | | |
|---|---|---|---|---|
| | May 30, 2020 (2) | | May 25, 2019 (2) | |
| **Revenues:** | | | | |
| RGP | $ 662,475 | 94.2 % | $ 689,602 | 94.6 % |
| Other Segments | 40,878 | 5.8 | 39,397 | 5.4 |
| Total revenues | $ 703,353 | 100.0 % | $ 728,999 | 100.0 % |
| **Adjusted EBITDA:** | | | | |
| RGP | $ 87,836 | 146.7 % | $ 87,728 | 135.8 % |
| Other Segments | 2,601 | 4.3 | 3,323 | 5.1 |
| Reconciling Items (1) | (30,551) | (51.0) | (26,434) | (40.9) |
| Total Adjusted EBITDA | $ 59,886 | 100.0 % | $ 64,617 | 100.0 % |

*(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) Fiscal year 2020 consisted of 53 weeks. Fiscal year 2019 consisted of 52 weeks.*

*Revenue by Segment*

***RGP –*** RGP revenue decreased $27.1 million, or 3.9%, in fiscal 2020 compared to fiscal 2019, primarily as a result of a 3.5% decline in billable hours year-over-year while average bill rate remained relatively consistent between the two periods. Revenue from RGP represents more than 90% of total consolidated revenue and generally reflects the overall consolidated revenue trend.

The number of consultants on assignment under the RGP segment as of May 30, 2020 was 2,407 compared to 2,858 as of May 25, 2019.

***Other Segments –*** Other Segments' revenue for fiscal 2020 increased $1.5 million, or 3.8%, compared to fiscal 2019. The improvement in revenue was primarily due to the continued strong revenue growth at *taskforce* since our acquisition in fiscal 2018.

The number of consultants on assignment under Other Segments as of May 30, 2020 was 88 compared to 107 as of May 25, 2019.

*Adjusted EBITDA by Segment*

***RGP –*** RGP adjusted EBITDA increased $0.1 million, or 0.1%, in fiscal 2020, compared to fiscal 2019. Adjusted EBITDA margin increased by 50 basis points to 13.3% in fiscal 2020. Compared to the prior year, revenue decreased $27.1 million which was offset by a $20.1 million reduction in cost of services and cost savings of approximately $6.6 million primarily as a result of savings in general business expenses mainly attributable to cost containment measures and reduced business travel during the Pandemic and a decrease in internal consultants costs as we continued to leverage our existing resources more efficiently on various projects and initiatives. The trend in revenue, cost of services and other costs and expenses at RGP year-over-year is generally consistent with that at the consolidated level, 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 decreased $0.7 million, or 21.7%, in fiscal 2020 compared to fiscal 2019. Adjusted EBITDA margin decreased by 210 basis points to 6.4% in fiscal 2020. The decline in adjusted EBITDA margin was primarily attributable to higher sales commission costs at *taskforce* as a result of the revenue growth.

**Liquidity and Capital Resources**

Our primary source of liquidity is cash provided by our operations, our $120.0 million secured revolving credit facility with Bank of America (the "Facility") 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, and we continued to do so for the year ended May 29, 2021, despite significant additional cash payouts associated with the execution of our restructuring initiatives across our geographies. 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, such as the current one caused by the Pandemic. As of May 29, 2021, we had $74.4 million of cash and cash equivalents including $27.6 million held in international operations.

As described in Note 7 — *Long-Term Debt* in the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K, we entered into a 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 "Credit Agreement"), which provides for a Facility for working capital and general corporate purposes, including potential acquisitions and stock repurchases. Until September 3, 2020, the Facility consisted of (1) a $90.0 million revolving loan facility ("Revolving Commitment"), which included a $5.0 million sublimit for the issuance of standby letters of credits, and (ii) a $30.0 million reducing revolving loan facility ("Reducing Revolving Commitment"), any amounts of which could not be reborrowed after being repaid. We entered into the Fifth Amendment to the Credit Agreement (the "Fifth Amendment") with Bank of America, N.A. as lender on September 3, 2020, and the Sixth Amendment to the Credit Agreement (the "Sixth Amendment") with Bank of America, N.A. as lender on May 25, 2021, both of which amended the terms of the Facility. The Fifth Amendment, among other things, (1) eliminated the $30.0 million Reducing Revolving Commitment and (2) increased the Revolving Commitment by $30.0 million to $120.0 million. The Sixth Amendment, among other things, (1) further revised the definition of Consolidated EBITDA in the Credit Agreement to include addbacks for certain restructuring costs, (2) included customary provisions relating to the transition from LIBOR as the benchmark interest rate under the Credit Agreement, including providing for a Benchmark Replacement option (as defined in the Credit Agreement) to replace LIBOR, and (3) decreased the interest rate floor as described below.

Borrowings under the Facility bear interest at a rate per annum of either, at our option, (i) a LIBOR interest rate defined in the Credit Agreement plus a margin or (ii) an alternate base rate, plus a margin, with the applicable margin depending on our consolidated leverage ratio. The alternate base rate is the highest of (i) Bank of America's prime rate, (ii) the federal funds rate plus 0.50% and (iii) the Eurodollar rate plus 1.0%. Prior to entering into the Fifth Amendment, the margin for loans based on LIBOR was 1.25% to 1.50%, and the margin for loans based on the alternate base rate was 0.25% to 0.50%, and the LIBOR interest rate floor was 0%. Effective upon entering into the Fifth Amendment, the appliable margin increased by 0.25% and the LIBOR interest rate floor increased to 0.25%. Effective upon entering into the Sixth Amendment, the LIBOR interest rate floor was removed and reverted to 0%. We pay an unused commitment fee on the average daily unused portion of the Facility, which, prior to entering into the Fifth Amendment, was a rate of 0.15% to 0.25% per annum depending on our consolidated leverage ratio and, effective upon entering into the Fifth Amendment, is 0.25% per annum. The unused commitment fee remains at 0.25% per annum under the Sixth Amendment.

The Facility expires on October 17, 2022. The Facility contains both affirmative and negative covenants. We were in compliance with all financial covenants under the Facility as of May 29, 2021 and do not expect material uncertainties in our continued ability to be in compliance with all financial covenants through the remaining term of the Facility. As of May 29, 2021, our borrowings on the Facility were $43.0 million outstanding under the Facility, bearing an average interest rate per annum of 1.93% and we had $1.3 million of outstanding letters of credit issued under the Facility.

The Pandemic has created significant uncertainty in the global economy and capital markets for a large part of fiscal 2021. While there appears to be more certainty and clarity in the macro environment and capital markets in the recent months, there could be lingering adverse effect into the remainder of calendar 2021 and beyond. We currently believe that our cash on hand, ongoing cash flows

from our operations and funding available under our Facility will be adequate to meet our working capital and capital expenditure needs and fund for our restructuring initiatives, systems and technology transformations and upgrades, and potential future contingent consideration payments associated with our acquisitions for at least the next 12 months and beyond.

During fiscal 2021, we paid approximately $6.5 million related to employee termination costs, consisting of $2.5 million under the North America and APAC Plan and $4.0 million under the European Plan. We currently estimate the cash requirement for completing the remaining restructuring actions to be in the range of $2 million to $4 million. The exact amount and timing of the expenses and resulting payments are subject to a number of variables which may not be within our control, such as the condition of the real estate/leasing market.

We also have certain contractual obligations, such as operating lease obligations and purchase obligations. At May 29, 2021, we had operating leases, primarily for office premises, and purchase obligations include payments due under various types of licenses, expiring at various dates through March 2028. As described further in Note 6 – *Leases* in the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K, we had a total of $33.2 million of minimum operating lease obligations. These minimum lease payments range from approximately $1.6 million to $11.2 million on an annual basis over the next five years. At May 29, 2021, we had purchase obligations of $2.3 million outstanding, including $1.9 million and $0.4 million expiring in fiscal 2022 and fiscal 2023, respectively. Our total liability for unrecognized tax benefits could also impact operating cash flows, which was $872,000 as of May 29, 2021, although we are unable to reasonably estimate the period during which this obligation may be incurred, if at all.

As described in Note 3 – *Acquisitions and Dispositions* in the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K, the purchase agreements for Veracity and Expertence require cash earn-out payments to be made when certain performance conditions are met. We estimated the fair value of contingent liabilities under the Monte Carlo simulation model based on unobservable input variables related to meeting the applicable contingency conditions as per the terms of the applicable agreements. The estimated fair value of the contingent consideration liability as of May 29, 2021 was $7.1 million, all of which is due before the end of calendar 2021.

In March 2020, the CARES Act was enacted into law. The CARES Act includes provisions, among others, addressing the carryback of net operating losses ("NOLs") for specific periods, and provides for deferral of the employer-paid portion of the social security payroll taxes. We have elected to defer the employer-paid portion of social security payroll taxes through December 31, 2020 until May of 2021 when we chose to make a partial payment of previously deferred payroll taxes in the amount of $6.3 million. As of May 29, 2021, $6.3 million of deferred payroll taxes remain and is expected to be paid 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 net operating losses of fiscal 2021 to fiscal years 2016 to 2018. We recognized a discrete tax benefit of $12.8 million in the fourth quarter of fiscal 2021 and expect to file for a federal tax refund in the amount of $34.0 million within the next 12 months.

Our ongoing operations and growth strategy may require us to continue to make investments in critical markets and in systems and technology. In addition, we may consider making strategic acquisitions or initiating additional restructuring initiatives, which could require significant liquidity. In order to strengthen our liquidity during the Pandemic, we took proactive measures to increase our cash on hand including, but not limited to, borrowing of $39 million under our Facility in the fourth quarter of fiscal 2020, reducing discretionary spending, and focusing on receivables collections efforts. We repaid a total of $45 million on our borrowings during fiscal 2021, and another $10 million subsequently on June 9, 2021 as a result of our ability to generate adequate cash flows from operations and improved clarity in the capital market.

Beyond the next 12 months, if we require additional capital resources to grow our business, either organically or through acquisition, we may seek to sell additional equity securities, increase use of our Facility, expand the size of our 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 Facility. The sale of additional equity securities or certain forms of debt financing could result in additional dilution to our stockholders. We may not be able to obtain financing arrangements in amounts or on terms acceptable to us in the future. In the event we are unable to obtain additional financing when needed, we may be compelled to delay or curtail our plans to develop our business or to pay dividends on our capital stock, which could have a material adverse effect on our operations, market position and competitiveness. Notwithstanding the potential liquidity challenges described above, we expect to meet our long-term liquidity needs with cash flows from operations and financing arrangements.

However, we could be required, or could elect to seek additional funding prior to that time. Our future capital requirements will depend on many factors, including our ability to continue to adapt and efficiently serve our clients, our clients' project needs in the future, and our clients' financial health and ability to make timely payments on our receivables. A material adverse impact from the Pandemic could result in a need for us to raise additional capital or incur additional indebtedness to fund strategic initiatives or operating activities.

*Operating Activities, fiscal 2021 and 2020*

Operating activities provided $39.9 million and $49.5 million in cash in fiscal 2021 and fiscal 2020, respectively. Cash provided by operations in fiscal 2021 resulted from net income of $25.2 million and net favorable non-cash reconciling adjustments of $33.9 million. These were partially offset by net unfavorable changes in operating assets and liabilities totaling $19.2 million, primarily consisting of an increase in income taxes receivable of $32.6 million as a result of certain tax method changes elected in the fourth quarter of fiscal 2021 and the first quarter of fiscal 2022, which allowed us to recognize a tax benefit of $12.8 million in fiscal 2021, as described further in Note 8 – *Income Taxes* in the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K, partially offset by a decrease in trade accounts receivable of $11.4 million, mostly attributable to improved collection on our accounts receivable and an increase in accrued salaries and related obligations of $2.4 million primarily as a result of increased vacation accrual year-over-year. In fiscal 2020, cash provided by operations resulted from net income of $28.3 million and net favorable non-cash reconciling adjustments of $21.5 million. These amounts were partially offset by a net unfavorable change in operating assets and liabilities of $0.3 million primarily due to a $7.9 million decrease in accounts payable, a $6.8 million decrease in accrued salaries and related obligations and a $2.5 million increase in prepaid income taxes, partially offset by a $10.0 million decrease in trade accounts receivable and a $7.3 million increase in other liabilities.

*Investing Activities, fiscal 2021 and 2020*

Net cash used in investing activities was $3.8 million for fiscal 2021, compared to $26.8 million in fiscal 2020. We used $3.8 million of cash in fiscal 2021 to develop internal-use software and acquire property and equipment. In fiscal 2020, we used $30.3 million of cash (net of cash acquired) to acquire Veracity. We also redeemed $6.0 million of short-term investments in fiscal 2020, which we purchased in fiscal 2019.

*Financing Activities, fiscal 2021 and 2020*

The primary sources of cash in financing activities are borrowings under our Facility, cash proceeds from the exercise of employee stock options and proceeds from the issuance of shares purchased under our ESPP. The primary uses of cash in financing activities are repayments under the Facility, payment of contingent consideration, repurchases of our common stock and cash dividend payments to our stockholders.

Net cash used in financing activities totaled $59.5 million in fiscal 2021 compared to net cash provided by financing activities of $30.9 million in fiscal 2020. Net cash used in financing activities during the year ended May 29, 2021 consisted of repayments on the Facility of $45.0 million, cash dividend payments of $18.2 million, and the first Veracity contingent consideration payment, of which $3.0 million was categorized as financing (the remaining $2.3 million of the total $5.3 million Veracity year one contingent consideration payment was categorized as operating cash flow). These were partially offset by $6.8 million in proceeds received from ESPP share purchases and employee stock option exercises. Additional information regarding dividends is included in Note 11 — *Stockholders' Equity* in the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K. Net cash provided by financing activities of $30.9 million in fiscal 2020 consisted of $74.0 million of proceeds borrowed from the Facility and $10.3 million from the issuance of shares under ESPP and the exercise of employee stock options, partially offset by principal repayments of $29.0 million under the Facility, $17.6 million of cash dividend payments and $5.0 million for share repurchases.

For a comparison of our cash flow activities for the fiscal years ended May 30, 2020 and May 25, 2019, see Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year ended May 30, 2020, filed with the SEC on July 27, 2020 (File No. 0-32113).

**Recent Accounting Pronouncements**

Information regarding recent accounting pronouncements is contained in Note 2 — *Summary of Significant Accounting Policies* in the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K.

**ITEM 7A.** ***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.

At the end of fiscal 2021, we had approximately $74.4 million of cash and cash equivalents and $43.0 million of borrowings under our Facility. The earnings on cash and cash equivalents 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.

We are exposed to interest rate risk related to fluctuations in the LIBOR rate. See "Sources and Uses of Liquidity" above and Note 7 – *Long-Term Debt* in the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for further discussion about the interest rate on our Facility. At the current level of borrowing as of May 29, 2021 of $43.0 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 year ended May 29, 2021, approximately 20.2% of our revenues were generated outside of the United States. 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-United States based operations, our reported results may vary.

Assets and liabilities of our non-United States based operations are translated into U.S. dollars at the exchange rate effective at the end of each monthly reporting period. Approximately 62.9% of our fiscal year-end balances of cash and cash equivalents were denominated in U.S. dollars. The remaining amount of approximately 37.1% was comprised primarily of cash balances translated from Euros, Japanese Yen, Mexican Pesos and Chinese Yuan. The difference resulting from the translation in each period of assets and liabilities of our non-United States 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 hedges to mitigate risks associated with foreign currency fluctuations including in a limited number of circumstances when we may be asked to transact with our 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 8.** ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.***

**RESOURCES CONNECTION, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**


| | **Page** |
|---|---|
| Report of Independent Registered Public Accounting Firm | 41 |
| Consolidated Balance Sheets as of May 29, 2021 and May 30, 2020 | 43 |
| Consolidated Statements of Operations for each of the three years in the period ended May 29, 2021 | 44 |
| Consolidated Statements of Comprehensive Income for each of the three years in the period ended May 29, 2021 | 45 |
| Consolidated Statements of Stockholders’ Equity for each of the three years in the period ended May 29, 2021 | 46 |
| Consolidated Statements of Cash Flows for each of the three years in the period ended May 29, 2021 | 47 |
| Notes to Consolidated Financial Statements | 48 |

## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Resources Connection, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Resources Connection, Inc. and its subsidiaries (the Company) as of May 29, 2021, and May 30, 2020, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended May 29, 2021, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of May 29, 2021, and May 30, 2020, and the results of its operations and its cash flows for each of the three years in the period ended May 29, 2021, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of May 29, 2021, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013, and our report dated July 23, 2021, expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matters**

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the Audit Committee and that: (1) relates to accounts or disclosures that are material to the financial statements, and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

**Valuation of Goodwill**

As described in Note 2 and Note 4 to the financial statements, the Company's consolidated goodwill balance was $216.8 million as of May 29, 2021. The Company performs its annual goodwill impairment test as of May 29, 2021, and also performed an interim test as of October 24, 2020, in connection with its change in operating segments. The impairment test is performed using a quantitative evaluation for each of its three reporting units based off of an income approach, under a discounted cash flow model, and a market approach, under a guideline public company method, which are then reconciled to determine the fair value of the reporting units. To test for goodwill impairment, the Company compares the fair value of each reporting unit to its carrying value. When estimating the fair value of each reporting unit, management makes significant estimates and assumptions related to the specific circumstances of each reporting unit.

We have identified the valuation of goodwill for all reporting units as a critical audit matter primarily due to significant assumptions management makes in order to reach a determination as to the fair value of goodwill for each reporting unit. These significant assumptions include cash flow projections which include revenue, gross profit, expenses as well as the determination of the discount rate. Auditing management's assumptions for the aforementioned items involves a high degree of auditor judgment and increased audit effort including the use of valuation specialists, due to the significant impact these assumptions have on the determination of fair value and potential impairment charges. Our audit procedures related to the Company's valuation of goodwill included the following, among others:

- We obtained an understanding of the relevant controls related to the development of forecasted cash flow (revenue, gross profit and expenses) projections as well as the selection of discount rates and tested such controls for design and operating effectiveness.
- We evaluated management’s ability to forecast cash flow projections by comparing management’s estimates to historical trends and guideline public company information as well as evaluating management’s historical forecasts to actual results.
- We evaluated the reasonableness of expense reduction in the forecast through inquiry with management and inspection of Board of Director communication and reduction in force plan documents along with comparison to the results from operations since the plan was put place.
- We utilized a valuation specialist to assist in the following:
  - Developing independent estimates using a combination of historical and publicly available data to evaluate the reasonableness of the discount rate.
  - Assessing the reasonableness of growth and profitability data used in the determination of measures of performance that drive the valuation of reporting units under the market approach by comparing it to available market data.
  - Testing the mathematical accuracy of the calculation.

/s/ RSM US LLP

We have served as the Company’s auditor since 2012.

Irvine, California
July 23, 2021

**RESOURCES CONNECTION, INC.**
**CONSOLIDATED BALANCE SHEETS**

| | May 29, 2021 | May 30, 2020 |
|---|---|---|
| | (Amounts in thousands, except par value per share) | |
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 74,391 | $ 95,624 |
| Trade accounts receivable, net of allowance for doubtful accounts of $2,032 and $3,067 as of May 29, 2021 and May 30, 2020, respectively | 116,455 | 124,986 |
| Prepaid expenses and other current assets | 7,235 | 6,222 |
| Income taxes receivable | 37,184 | 4,167 |
| Total current assets | 235,265 | 230,999 |
| Goodwill | 216,758 | 214,067 |
| Intangible assets, net | 20,240 | 20,077 |
| Property and equipment, net | 20,543 | 23,644 |
| Operating right-of-use assets | 24,655 | 34,287 |
| Deferred income taxes | 1,691 | 1,597 |
| Other assets | 1,492 | 4,510 |
| Total assets | $ 520,644 | $ 529,181 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | $ 15,987 | $ 15,799 |
| Accrued salaries and related obligations | 55,513 | 52,407 |
| Operating lease liabilities, current | 10,206 | 11,223 |
| Contingent consideration liabilities | 7,129 | 4,970 |
| Other liabilities | 12,071 | 10,502 |
| Total current liabilities | 100,906 | 94,901 |
| Long-term debt | 43,000 | 88,000 |
| Operating lease liabilities, noncurrent | 20,740 | 30,672 |
| Deferred income taxes | 18,382 | 6,215 |
| Other long-term liabilities | 8,070 | 5,732 |
| Total liabilities | 191,098 | 225,520 |
| 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; 64,626 and 63,910 shares issued, and 32,885 and 32,144 shares outstanding as of May 29, 2021 and May 30, 2020, respectively | 646 | 639 |
| Additional paid-in capital | 489,864 | 477,438 |
| Accumulated other comprehensive loss | (7,393) | (13,862) |
| Retained earnings | 367,229 | 360,534 |
| Treasury stock at cost, 31,741 and 31,766 shares as of May 29, 2021 and May 30, 2020, respectively | (520,800) | (521,088) |
| Total stockholders' equity | 329,546 | 303,661 |
| Total liabilities and stockholders' equity | $ 520,644 | $ 529,181 |

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

**RESOURCES CONNECTION, INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

| | For the Years Ended | | |
|---|---|---|---|
| | May 29, 2021 | May 30, 2020 | May 25, 2019 |
| | (Amounts in thousands, except per share amounts) | | |
| Revenue | $ 629,516 | $ 703,353 | $ 728,999 |
| Direct cost of services, primarily payroll and related taxes for professional services employees | 388,112 | 427,870 | 446,560 |
| Gross profit | 241,404 | 275,483 | 282,439 |
| Selling, general and administrative expenses | 209,326 | 228,067 | 223,802 |
| Amortization of intangible assets | 5,228 | 5,745 | 3,799 |
| Depreciation expense | 3,897 | 5,019 | 4,679 |
| Income from operations | 22,953 | 36,652 | 50,159 |
| Interest expense, net | 1,600 | 2,061 | 2,190 |
| Other income | (1,331) | (637) | - |
| Income before income tax (benefit) expense | 22,684 | 35,228 | 47,969 |
| Income tax (benefit) expense | (2,545) | 6,943 | 16,499 |
| Net income | $ 25,229 | $ 28,285 | $ 31,470 |
| Net income per common share: | | | |
| Basic | $ 0.78 | $ 0.88 | $ 1.00 |
| Diluted | $ 0.78 | $ 0.88 | $ 0.98 |
| Weighted average common shares outstanding: | | | |
| Basic | 32,444 | 31,989 | 31,596 |
| Diluted | 32,552 | 32,227 | 32,207 |
| Cash dividends declared per common share | $ 0.56 | $ 0.56 | $ 0.52 |

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

**RESOURCES CONNECTION, INC.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

| | For the Years Ended | | |
|---|---|---|---|
| | May 29, 2021 | May 30, 2020 | May 25, 2019 |
| | (Amounts in thousands) | | |
| COMPREHENSIVE INCOME: | | | |
| Net income | $ 25,229 | $ 28,285 | $ 31,470 |
| Foreign currency translation adjustment, net of tax | 6,469 | (1,274) | (2,203) |
| Total comprehensive income | $ 31,698 | $ 27,011 | $ 29,267 |

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

**RESOURCES CONNECTION, INC.**

**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

| | Common Stock | | Additional | Treasury Stock | | Accumulated Other | Retained | Total |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Paid-in Capital | Shares | Amount | Comprehensive Loss | Earnings | Stockholders' Equity |
| | (Amounts in thousands, except per share amounts) | | | | | | | |
| **Balances as of May 26, 2018** | 61,252 | $ 613 | $ 429,578 | 29,638 | $ (486,722) | $ (10,385) | $ 335,741 | $ 268,825 |
| Exercise of stock options | 1,444 | 15 | 19,794 | - | - | - | - | 19,809 |
| Stock-based compensation expense | - | - | 6,358 | - | - | - | - | 6,358 |
| Issuance of common stock under Employee Stock Purchase Plan | 358 | 3 | 4,496 | - | - | - | - | 4,499 |
| Issuance of restricted stock out of treasury stock to board of director members | - | - | - | (21) | 510 | - | (510) | - |
| Purchase of shares | - | - | - | 1,849 | (29,891) | - | - | (29,891) |
| Cash dividends declared ($0.52 per share) | - | - | - | - | - | - | (16,471) | (16,471) |
| Currency translation adjustment | - | - | - | - | - | (2,203) | - | (2,203) |
| Net income for the year ended May 25, 2019 | - | - | - | - | - | - | 31,470 | 31,470 |
| **Balances as of May 25, 2019** | 63,054 | $ 631 | $ 460,226 | 31,466 | $ (516,103) | $ (12,588) | $ 350,230 | $ 282,396 |
| Exercise of stock options | 376 | 3 | 5,122 | - | - | - | - | 5,125 |
| Stock-based compensation expense | - | - | 5,833 | - | - | - | - | 5,833 |
| Issuance of common stock under Employee Stock Purchase Plan | 400 | 4 | 5,127 | - | - | - | - | 5,131 |
| Cancellation of restricted stock | (13) | - | - | - | - | - | - | - |
| Issuance of restricted stock | 10 | - | - | - | - | - | - | 0 |
| Amortization of restricted stock issued out of treasury stock to board of director members | - | - | (10) | (18) | 15 | - | (5) | - |
| Repurchase of shares | - | - | - | 318 | (5,000) | - | - | (5,000) |
| Cash dividends declared ($0.56 per share) | - | - | - | - | - | - | (17,976) | (17,976) |
| Issuance of common stock in connection with the acquisition of Accretive | 83 | 1 | 1,140 | - | - | - | - | 1,141 |
| Currency translation adjustment | - | - | - | - | - | (1,274) | - | (1,274) |
| Net income for the year ended May 30, 2020 | - | - | - | - | - | - | 28,285 | 28,285 |
| **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 | 135 | 1 | 1,627 | - | - | - | - | 1,628 |
| Stock-based compensation expense | - | - | 5,720 | - | - | - | - | 5,720 |
| Issuance of common stock under Employee Stock Purchase Plan | 506 | 5 | 5,058 | - | - | - | - | 5,063 |
| Issuance of restricted stock | 75 | 1 | (1) | (25) | - | - | - | - |
| Amortization of restricted stock issued out of treasury stock to board of director members | - | - | (160) | - | 288 | - | (102) | 26 |
| Cash dividends declared ($0.56 per share) | - | - | - | - | - | - | (18,250) | (18,250) |
| Dividend equivalents on restricted stock | - | - | 182 | - | - | - | (182) | - |
| Currency translation adjustment | - | - | - | - | - | 6,469 | - | 6,469 |
| Net income for the year ended May 29, 2021 | - | - | - | - | - | - | 25,229 | 25,229 |
| **Balances as of May 29, 2021** | 64,626 | $ 646 | $ 489,864 | 31,741 | $ (520,800) | $ (7,393) | $ 367,229 | $ 329,546 |

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

**RESOURCES CONNECTION, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | For the Years Ended | | |
|---|---|---|---|
| | May 29, 2021 | May 30, 2020 | May 25, 2019 |
| | (Amounts in thousands) | | |
| Cash flows from operating activities: | | | |
| Net income | $ 25,229 | $ 28,285 | $ 31,470 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 9,125 | 10,764 | 8,478 |
| Stock-based compensation expense | 6,613 | 6,057 | 6,570 |
| Contingent consideration adjustment | 4,512 | 794 | (590) |
| Loss on disposal of assets | 587 | 484 | 126 |
| Impairment of operating right-of-use assets | 935 | 649 | - |
| Adjustment to allowance for doubtful accounts | (55) | 1,840 | 1,540 |
| Deferred income taxes | 12,203 | 911 | 6,452 |
| Changes in operating assets and liabilities, net of effects of business combinations: | | | |
| Trade accounts receivable | 11,443 | 10,010 | (5,690) |
| Prepaid expenses and other current assets | (868) | 980 | 109 |
| Income taxes | (32,590) | (2,472) | (4,324) |
| Other assets | 513 | (1,332) | (1,147) |
| Accounts payable and accrued expenses | (704) | (7,902) | (1,469) |
| Accrued salaries and related obligations | 2,378 | (6,810) | 547 |
| Other liabilities | 622 | 7,265 | 1,549 |
| Net cash provided by operating activities | 39,943 | 49,523 | 43,621 |
| Cash flows from investing activities: | | | |
| Redemption of short-term investments | - | 5,981 | - |
| Purchase of short-term investments | - | - | (5,981) |
| Proceeds from sale of assets | 3 | 105 | - |
| Acquisition of Expertence, net of cash acquired | - | (254) | - |
| Acquisition of Veracity, net of cash acquired | - | (30,258) | - |
| Acquisition of property and equipment and internal-use software | (3,846) | (2,346) | (6,896) |
| Net cash used in investing activities | (3,843) | (26,772) | (12,877) |
| Cash flows from financing activities: | | | |
| Proceeds from exercise of stock options | 1,726 | 5,125 | 19,809 |
| Proceeds from issuance of common stock under Employee Stock Purchase Plan | 5,063 | 5,131 | 4,499 |
| Purchase of common stock | - | (5,000) | (29,891) |
| Payment of contingent consideration | (3,020) | (1,771) | (1,860) |
| Proceeds from Revolving Credit Facility | - | 74,000 | - |
| Repayments on Revolving Credit Facility | (45,000) | (29,000) | (20,000) |
| Cash dividends paid | (18,230) | (17,581) | (16,158) |
| Net cash (used in) provided by financing activities | (59,461) | 30,904 | (43,601) |
| Effect of exchange rate changes on cash | 2,128 | (1,076) | (568) |
| Net (decrease) increase in cash | (21,233) | 52,579 | (13,425) |
| Cash and cash equivalents at beginning of period | 95,624 | 43,045 | 56,470 |
| Cash and cash equivalents at end of period | $ 74,391 | $ 95,624 | $ 43,045 |

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

**RESOURCES CONNECTION, INC.**

**NOTES TO 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 clients match the right professional talent needed to tackle change and transformational initiatives. As a next-generation human capital partner for its clients, the Company specializes in solving today’s most pressing business problems across the enterprise in the areas of transactions, regulations, and transformations. 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. Fiscal years 2019 and 2021 consisted of four 13-week quarters and included a total of 52 weeks of activity in the fiscal year. For fiscal year 2020, the first three quarters consisted of 13 weeks each and the fourth quarter consisted of 14 weeks, with a total of 53 weeks of activity in the fiscal year.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation and Principles of Consolidation***

The Consolidated Financial Statements of the Company (“financial statements”) have been prepared in conformity with accounting principles generally accepted in the U.S. (“GAAP”) and the rules of the Securities and Exchange Commission (“SEC”). The financial statements 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 (“ASC”) 280, *Segment Reporting*. The change in segment reporting did not impact the Company’s consolidated financial statements.

***Reclassifications***

Certain prior period amounts have been reclassified to conform to current period presentation. These reclassifications had no effect on previously reported totals for assets, liabilities, stockholders’ equity, cash flows or net income.

***Risks and Uncertainties***

The Pandemic has adversely impacted the Company’ business in the past year including, among other things, reducing demand for or delaying client decisions to procure its services. In response to the Pandemic, the Company evolved its operating model to be more virtual and borderless. The move to virtual and borderless talent helped the Company manage supply and demand more efficiently,

which resulted in faster revenue generation and reduced consultant turnover, mitigating the negative impact of the Pandemic. During fiscal 2021, the Company's revenue declined 10.5% compared to fiscal 2020, as the Pandemic started to impact the Company on a worldwide basis in the fourth quarter of fiscal 2020. The Company reached a trough in revenue during the first quarter of fiscal 2021 and has since experienced a steady recovery in each sequential quarter thereafter. By the fourth quarter of fiscal 2021, the revenue decline compared to the prior year quarter improved to 3.5% year over year, and revenue in the fourth quarter of fiscal 2021 exceeded the first quarter of fiscal 2021 by 16.9%.

In order to strengthen the Company's liquidity during the Pandemic, the Company took proactive measures to increase its cash on hand including, but not limited to, borrowing $39 million under its $120.0 million secured revolving credit facility with Bank of America (the "Facility") in the fourth quarter of fiscal 2020, reducing discretionary spending, and focusing on receivables collections efforts. The Company also elected to defer the deposit of its employer portion of social security taxes from April to December 2020, as provided for under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Due to the focused efforts to contain costs and manage working capital, the Company's cash flows from operations enabled it to repay a total of $45 million on its borrowings during fiscal 2021 and another $10 million subsequently on June 9, 2021. In addition, the Company repaid a total of $6.3 million in deferred deposit of the employer portion of social security taxes prior to May 29, 2021.

As of May 29, 2021, the Company had cash and cash equivalents of $74.4 million, and additional availability under the Facility of $75.7 million. Given its balance sheet and liquidity position, management believes that the Company has the financial flexibility and resources needed to operate in the current uncertain economic environment. However, if global economic conditions worsen as a result of the Pandemic, it could materially impact the Company's liquidity position and capital needs.

The full extent to which the Pandemic impacts the Company' business and financial results 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.

***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.

***Revenue Recognition***

The Company generates substantially all of its revenues from providing professional consulting services to its clients. Revenues are recognized when control of the promised service is transferred to the Company's clients, in an amount that reflects the consideration expected in exchange for the services. Revenue is recorded net of sales or other transaction taxes collected from clients and remitted to taxing authorities. Revenues from contracts are recognized over time, based on hours worked by the Company's professionals. The performance of the agreed-to service over time is the single performance obligation for revenues. Certain clients may receive discounts (for example, volume discounts or rebates) to the amounts billed. These discounts or rebates are considered variable consideration. Management evaluates the facts and circumstances of each contract and client relationship to estimate the variable consideration assessing the most likely amount to recognize and considering management's expectation of the volume of services to be provided over the applicable period. Rebates are the largest component of variable consideration and are estimated using the most likely amount method, contracts terms and estimates of revenue. Revenues are recognized net of variable consideration to the extent that it is probable that a significant reversal of revenues will not occur in subsequent periods.

On a limited basis, the Company may have fixed-price contracts, for which revenues are recognized over time using the input method based on time incurred as a proportion of estimated total time. Time incurred represents work performed, which corresponds with, and therefore best depicts, the transfer of control to the client. Management uses significant judgments when estimating the total hours expected to complete the contract performance obligation. It is possible that updated estimates for consulting engagements may vary from initial estimates with such updates being recognized in the period of determination. Depending on the timing of billings and services rendered, the Company accrues or defers revenue as appropriate.

The Company recognizes revenues primarily on a gross basis as it acts as a principal for primarily all of its revenue transactions. The Company has concluded that gross reporting is appropriate because it controls the services before they are transferred to the customers. The Company a) has the risk of identifying and hiring qualified consultants; b) has the discretion to select the consultants and establish the price and responsibilities for services to be provided; c) is primarily responsible for fulfilling the promise to provide the service to the customer; and d) bears the risk for services provided that are not fully paid for by clients. The Company recognizes all reimbursements received from clients for "out-of-pocket" expenses as revenue and all such expenses as direct cost of services.

Reimbursements received from clients were $3.2 million, $9.4 million and $12.3 million for the years ended May 29, 2021, May 30, 2020 and May 25, 2019, respectively.

Commissions earned by the Company' sales professionals are considered incremental and recoverable costs of obtaining a contract with a customer. The Company elected to apply the practical expedient to expense sales commissions as incurred as the expected amortization period is one year or less. Sales commissions are recorded in selling, general and administrative expenses in the Company's Consolidated Statement of Operations. During the years ended May 29, 2021, May 30, 2020, and May 25, 2019, sales commission expense was $5.9 million, $6.3 million, and $6.7 million, respectively.

The Company's clients are contractually obligated to pay the Company for all hours billed. The Company invoices the majority of its clients on a weekly basis or, in certain circumstances, on a bi-weekly or monthly basis, and its typical arrangement of payment is due within 30 days. To a much lesser extent, in certain circumstances, the Company also earns revenue if one of its consultants is hired by, or if the Company places an outside candidate with, its client. Conversion fees or permanent placement fees are recognized when one of the Company's professionals, or a candidate identified by the Company, accepts an offer of permanent employment from a client and all requisite terms of the agreement have been met. Such conversion fees or permanent placement fees are recognized when the performance obligation is considered complete, which the Company considers a) when the consultant or candidate accepts the position; b) the consultant or candidate has notified either RGP or their current employer of their decision; and c) the start date is within the Company's current quarter. Conversion fees were 0.3%, 0.4% and 0.5% of revenue for the years ended May 29, 2021, May 30, 2020 and May 25, 2019, respectively. Permanent placement fees were 0.6% of revenue for each of the years ended May 29, 2021, May 30, 2020 and May 25, 2019.

The Company's contracts generally have termination for convenience provisions and do not have termination penalties. While clients are contractually obligated to pay the Company for all hours billed, the Company does not have long-term agreements with its clients for the provision of services and the Company's clients may terminate engagements at any time. All costs of compensating the Company's professionals are the responsibility of the Company and are included in direct cost of services.

***Foreign Currency Translation***

The financial statements of subsidiaries outside the U.S. are measured using the local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at current exchange rates, income and expense items are translated at average exchange rates prevailing during the period and the related translation adjustments are recorded as a component of comprehensive income or loss within stockholders' equity. Gains and losses from foreign currency transactions are included in selling, general and administrative expenses in the Consolidated Statements of Operations.

***Per Share Information***

The Company presents both basic and diluted earnings per share ("EPS"). Basic EPS is calculated by dividing net income 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 per share for the years ended May 29, 2021, May 30, 2020 and May 25, 2019 (in thousands, except per share amounts):

| | For the Years Ended | | |
|---|---|---|---|
| | May 29, 2021 | May 30, 2020 | May 25, 2019 |
| Net income | $ 25,229 | $ 28,285 | $ 31,470 |
| Basic: | | | |
| Weighted average shares | 32,444 | 31,989 | 31,596 |
| Diluted: | | | |
| Weighted average shares | 32,444 | 31,989 | 31,596 |
| Potentially dilutive shares | 108 | 238 | 611 |
| Total dilutive shares | 32,552 | 32,227 | 32,207 |
| Net income per common share | | | |
| Basic | $ 0.78 | $ 0.88 | $ 1.00 |
| Dilutive | $ 0.78 | $ 0.88 | $ 0.98 |
| Anti-dilutive shares not included above | 4,556 | 4,731 | 3,316 |

***Cash and Cash Equivalents***

The Company considers cash on hand, deposits in banks, and short-term investments purchased with an original maturity date of three months or less to be cash and cash equivalents. The carrying amounts reflected in the consolidated balance sheets for cash and cash equivalents approximate the fair values due to the short maturities of these instruments.

***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.

The following table shows the Company’s financial instruments that are measured and recorded in the consolidated financial statements at fair value on a recurring basis (in thousands):

| | May 29, 2021 | | | May 30, 2020 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Liabilities: | | | | | | |
| Contingent consideration liability | $ - | $ - | $ 7,129 | $ - | $ - | $ 7,898 |
| Total liabilities | $ - | $ - | $ 7,129 | $ - | $ - | $ 7,898 |

Contingent consideration liability presented in the table above is for estimated future contingent consideration cash payments related to the Company’s acquisitions. Total contingent consideration liabilities were $7.1 million and $7.9 million as of May 29, 2021 and May 30, 2020, respectively. The fair value measurement of the liability is 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 are the Company’s measures of the estimated payouts based on internally generated financial projections and discount rates. The fair value of contingent consideration liability is remeasured on a quarterly basis by the Company using additional information as it becomes available, and any change in the fair value estimates are recorded in selling, general and administrative expenses in the Company’s Consolidated Statements of Operations. See Note 3 – *Acquisitions and Dispositions*.

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.

***Allowance for Doubtful Accounts***

The Company maintains an allowance for doubtful accounts for estimated losses resulting from its clients' failure to make required payments for services rendered. Management estimates this allowance based upon knowledge of the financial condition of the Company's clients (which may not include knowledge of all significant events), review of historical receivable and reserve trends and other pertinent information. If the financial condition of the Company's clients deteriorates or there is an unfavorable trend in aggregate receivable collections, additional allowances may be required.

The following table summarizes the activity in the allowance for doubtful accounts (in thousands):

| | Beginning Balance | Charged to Operations | Currency Rate Changes | (Write-offs)/ Recoveries | Ending Balance |
|---|---|---|---|---|---|
| Years Ended: | | | | | |
| May 25, 2019 | $ 1,640 | $ 1,540 | $ - | $ (660) | $ 2,520 |
| May 30, 2020 | $ 2,520 | $ 1,840 | $ (18) | $ (1,275) | $ 3,067 |
| May 29, 2021 | $ 3,067 | $ (55) | $ 4 | $ (984) | $ 2,032 |

***Property and Equipment***

Property and equipment is stated at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the following estimated useful lives:

| | |
|---|---|
| Building | 30 years |
| Furniture | 5 to 10 years |
| Leasehold improvements | Lesser of useful life of asset or term of lease |
| Computer, equipment and software | 3 to 5 years |

Costs for normal repairs and maintenance are expensed to operations as incurred, while renewals and major refurbishments are capitalized.

***Long-lived Assets***

The Company evaluates the recoverability of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The impairment test comprises two steps. The first step compares the carrying amount of the asset to the sum of expected undiscounted future cash flows. If the sum of expected undiscounted future cash flows exceeds the carrying amount of the asset, no impairment is taken. If the sum of expected undiscounted future cash flows is less than the carrying amount of the asset, a second step is warranted and an impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value calculated using the present value of estimated net future cash flows. The Company recorded right-of-use ("ROU") assets impairment of $0.9 million and $0.6 million for the years ended May 29, 2021 and May 30, 2020, respectively, primarily associated with exiting certain real estate leases as part of its restructuring initiatives. The impairment charges are included in selling, general and administrative expense in the Company's Consolidated Statements of Operations.

***Goodwill and Intangible Assets***

Goodwill is recorded at the time of an acquisition and is calculated as the difference between the aggregate consideration paid for an acquisition and the fair value of the net tangible and intangible assets acquired. Goodwill is not subject to amortization but the carrying value is tested for impairment on an annual basis in the fourth quarter of the fiscal year, or more frequently if the Company believes indicators of impairment exist. Impairment evaluations involve management's assessment of qualitative factors to determine whether it is more likely than not that goodwill is impaired. If management concludes from its assessment of qualitative factors that it is more likely than not that impairment exists, then a quantitative impairment test will be performed. Significant management judgment is required in the forecasts of future operating results that are used in these evaluations. The Company's interim and annual goodwill impairment analysis indicated that there was no related impairment for the fiscal years ended May 29, 2021, May 30, 2020 and May 25, 2019, respectively.

The Company's identifiable intangible assets include customer contracts and relationships, tradenames, backlog, consultant list, non-compete agreements and computer software, including internally-developed software. These assets are amortized on a straight-line basis over lives ranging from 17 months to ten years.

See Note 4 — *Intangible Assets and Goodwill* for a further description of the Company's goodwill and intangible assets, including information about the Company's goodwill impairment assessment in connection with its change in segment reporting effective in the second quarter of fiscal 2021.

***Leases***

The Company currently leases office space, vehicles and certain equipment under operating leases expiring through 2028. At May 29, 2021, the Company had no finance leases. The Company's operating leases are primarily for real estates, which include fixed payments plus, in some cases, scheduled base rent increases over the term of the lease. Certain leases require variable payments of common area maintenance, operating expenses and real estate taxes applicable to the property. Variable payments are excluded from the measurements of lease liabilities and are expensed as incurred. Any tenant improvement allowances received from the lessor are recorded as a reduction to rent expense over the term of the lease. None of the Company's lease agreements contained residual value guarantees or material restrictive covenants. The Company has not entered into any real estate lease arrangements where it occupies the entire building. As such, the Company does not have any separate land lease components embedded within any of its real estate leases.

The Company determines if an arrangement is a lease at the inception of the contract. Specially, the Company considers whether it can control the underlying asset and have the right to obtain substantially all of the economic benefits or outputs from the assets. The ROU assets represent the right to use the underlying assets for the lease term and the lease liabilities represent the Company's obligation to make lease payments arising from the leases. The Company's lease liability is recognized as of the lease commencement date at the present value of the lease payments over the lease term. The Company's ROU asset is recognized as of the lease commencement date at the amount of the corresponding lease liability, adjusted for prepaid lease payments, lease incentives received, and initial direct costs incurred. The Company evaluates its ROU assets for impairment consistent with its policy for evaluating long-lived assets for impairment. See "Long-lived Assets" above. ROU assets are presented as operating right-of-use assets in the Company's Consolidated Balance Sheets. Operating lease liabilities are presented as operating lease liabilities, current or operating lease liabilities, noncurrent in the Company's Consolidated Balance Sheets based on their contractual due dates. Operating lease expense is recognized on a straight-line basis over the lease term, and is recognized in selling, general and administrative expenses in the Company's Consolidated Statements of Operations.

Most of the Company's leases do not provide an implicit rate that can be readily determined. Therefore, the Company uses a discount rate based on its incremental borrowing rate and the information available at the commencement date. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow on a fully collateralized basis over a similar term in an amount equal to the total lease payments in a similar economic environment. The Company has a centrally managed treasury function; therefore, the portfolio approach is applied in determining the incremental borrowing rate. Application at the portfolio level is not materially different from applying guidance at the individual lease level.

Certain of the Company's leases include one or more options to renew or terminate the lease at the Company's discretion. Generally, the renewal and termination options are not included in the ROU assets and lease liabilities as they are not reasonably certain of exercise. The Company regularly evaluates lease renewal and termination options and, when they are reasonably certain of exercise, includes the renewal or termination option in the lease term.

In some instances, the Company subleases excess office space to third party tenants. The Company, as sublessor, continues to account for the head lease. If the lease cost for the term of the sublease exceeds the Company's anticipated sublease income for the same period, this indicates that the right-of-use asset associated with the head lease should be assessed for impairment under the long-lived asset impairment provisions. Sublease income is included in selling, general and administrative expenses in the Company's Consolidated Statements of Operations.

The Company has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all real estate asset classes. Additionally, the Company has also made an accounting policy election to recognize the lease payments under short-term leases as an expense on a straight-line basis over the lease term without recognizing the lease liability and the ROU asset.

See Note 6 — *Leases* for a further description of the Company's leases.

***Stock-Based Compensation***

The Company recognizes compensation expense for all share-based payment awards made to employees and directors, including restricted stock awards, restricted stock units, employee stock options awarded under the Company's 2020 Performance Incentive Plan (the "2020 Plan") and the Company's 2014 Performance Incentive Plan (the "2014 Plan"), and employee stock purchases made via the Company's 2019 Employee Stock Purchase Plan (the "ESPP"), based on estimated fair value at the date of grant.

The Company estimates the fair value of share-based payment awards on the date of grant using the Black-Scholes valuation model for stock options and the closing price of the Company's common stock on the date of grant for restricted stock awards and

restricted stock units. The value of the portion of the award that is ultimately expected to vest is recognized on a straight-line basis as an expense over the requisite service periods. If the actual number of forfeitures differs from that estimated by management, additional adjustments to compensation expense may be required in future periods. Excess income tax benefits and deficiencies from stock-based compensation are recognized as a discrete item within the provision for income taxes on the Company's Consolidated Statements of Operations. Stock options and restricted stock units typically vest over four years and restricted stock award vesting is determined on an individual grant basis under the 2014 Plan or the 2020 Plan.

See Note 14 — *Stock-Based Compensation Plans* for further information on the 2020 Plan and stock-based compensation.

***Income Taxes***

The Company recognizes deferred income taxes for the estimated tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established to reduce deferred tax assets to the amount expected to be realized when, in management's opinion, it is more likely than not that some portion of the deferred tax assets will not be realized. The provision for income taxes represents current taxes payable net of the change during the period in deferred tax assets and liabilities. The Company also evaluates its uncertain tax positions and only recognizes the tax benefit from an uncertain tax position if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50 percentage likelihood of being realized upon settlement. The Company records a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. Any change in judgment related to the expected ultimate resolution of uncertain tax positions is recognized in earnings in the period in which such change occurs.

***Recent Accounting Pronouncements***

*Accounting Pronouncements Adopted During Fiscal Year 2021*

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"). Under ASU 2016-13, companies are required to present financial assets, measured at amortized cost basis, at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis, such as trade receivables. The measurement of expected credit loss will be based on historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. The Company adopted this guidance using the modified retrospective adoption method beginning with its first quarter of fiscal 2021, and applied it to all applicable accounts. The application of this new guidance did not have a material impact on the Company's consolidated financial condition, results of operations or cash flows.

**3. Acquisitions and Dispositions**

The Company did not complete any acquisitions during the year ended May 29, 2021.

**Prior Year Acquisitions**

During fiscal 2020, the Company completed two acquisitions. The first acquisition, completed November 30, 2019, was Expertforce Interim Projects GmbH, LLC ("Expertence"), a leading provider of professional interim management services, based in Munich, Germany. With the acquisition of Expertence, the Company is able to offer a full range of project and management consulting services in the German market. The Company paid an initial cash consideration of $0.4 million. The initial consideration is subject to final adjustments for the impact of working capital as defined in the purchase agreement.

In addition, the purchase agreement required earn-out payments to be made based on performance over an 18-month period that ended on May 31, 2021. The Company was obligated to pay the former owners of Expertence contingent consideration if certain revenue targets were achieved, up to a maximum of $0.3 million, and as a result, made payments of contingent consideration equal to $0.3 million in July 2021. In determining the fair value of the contingent consideration liability, the Company used an estimate based on a number of possible projections over the earnout period and applied a probability to each possible outcome. Given the short duration of the earnout period, the fair value of contingent liability was measured on an undiscounted basis. The Company remeasures the fair value of the contingent consideration at each reporting period, and any change in fair value is recognized in the Company's results of operations in the applicable period. The estimate of the fair value of contingent consideration requires very subjective assumptions to be made of various potential revenue results. Given that the performance period has ended, the Company does not expect to make any future revisions to these assumptions to materially change the estimate of the fair value of contingent consideration.

Fair value of consideration transferred (in thousands):

| | | |
|---|---|---|
| Cash | $ | 383 |
| Estimated initial contingent consideration | | 305 |
| Total | $ | 688 |

The following table summarizes the final valuation of the assets acquired and liabilities assumed at the acquisition date (dollars in thousands):

| | | |
|---|---|---|
| Cash and cash equivalents | $ | 11 |
| Accounts receivable | | 215 |
| Prepaid expenses and other current assets | | 7 |
| Intangible assets: | | |
| Computer software (24 months useful life) | | 184 |
| Total identifiable assets | | 417 |
| Accounts payable | | 196 |
| Accrued expenses and other current liabilities | | 8 |
| Deferred tax liability | | 59 |
| Total liabilities assumed | | 263 |
| Net identifiable assets acquired | | 154 |
| Goodwill | | 534 |
| Net assets acquired | $ | 688 |

Results of operations of Expertence are included in the Consolidated Statements of Operations from the date of acquisition and is not material to the Company's consolidated results of operations for the years ended May 29, 2021 and May 30, 2020. The amount of the acquisition costs incurred as included in the Consolidated Statements of Operations for the year ended May 30, 2020 was immaterial.

The second acquisition occurred on July 31, 2019 when the Company acquired Veracity Consulting Group, LLC ("Veracity"), a fast-growing, digital transformation firm based in Richmond, Virginia, that delivers innovative solutions to the Fortune 500 and leading healthcare organizations. The acquisition of Veracity was a critical step in accelerating the Company's stated objective to enhance its digital capabilities and allows the Company to offer comprehensive end-to-end solutions to its clients by combining Veracity's customer-facing offerings with the Company's depth of experience in transforming the back office. The Company paid an initial cash consideration of $30.3 million (net of $2.1 million cash acquired). The initial consideration is subject to final adjustments for the impact of the Internal Revenue Code Section 338(h)(10) joint election between the Company and former owners of Veracity and working capital as defined in the purchase agreement.

In addition, the purchase agreement requires earn-out payments to be made in cash based on performance after each of the first and second anniversary of the acquisition date. The Company is obligated to pay the former owners of Veracity contingent consideration if certain earnings before interest, taxes, depreciation and amortization ("EBITDA") thresholds are achieved. In determining the fair value of the contingent consideration liability, the Company used the Monte Carlo simulation modeling which included the application of an appropriate discount rate (Level 3 fair value). The Company remeasures the fair value of the contingent consideration at each reporting period, and any change in fair value is be recognized in the Company's results of operations in the applicable period. The estimate of fair value of contingent consideration requires very subjective assumptions to be made, including various potential EBITDA results and discount rates. Future revisions to these assumptions could materially change the estimate of the fair value of contingent consideration and therefore could materially affect the Company's future operating results.

During the quarter ended August 24, 2019, the Company made an initial provisional allocation of the purchase price for Veracity based on the fair value of the assets acquired and liabilities assumed, with the residual amount recorded as goodwill, in accordance with ASC 805, *Business Combinations*. The Company's initial purchase price allocation considered a number of factors, including the valuation of identifiable intangible assets and contingent consideration. During the three months ended November 23, 2019, the Company adjusted the previously reported provisional allocation of the purchase price to reflect new information obtained during the quarter, which resulted in changes in expected future performance and cash flows as of the acquisition date. There were no additional adjustments to the provisional purchase price allocation during the remainder of the measurement period.

The following table provides a summary of the final purchase price allocation.

Fair value of consideration transferred (in thousands):

| | | |
|---|---|---|
| Cash | $ | 32,314 |
| Estimated initial contingent consideration | | 6,290 |
| Total | $ | 38,604 |

Recognized final amounts of identifiable assets acquired and liabilities assumed (dollars in thousands):

| | | |
|---|---|---|
| Cash and cash equivalents | $ | 2,056 |
| Accounts receivable | | 3,299 |
| Prepaid expenses and other current assets | | 116 |
| Intangible assets: | | |
| Backlog (17 months useful life) | | 1,210 |
| Customer relationships (7 years useful life) | | 9,300 |
| Trademarks (3 years useful life) | | 570 |
| Property and equipment | | 117 |
| Total identifiable assets | | 16,668 |
| Accounts payable | | 305 |
| Accrued expenses and other current liabilities | | 712 |
| Total liabilities assumed | | 1,017 |
| Net identifiable assets acquired | | 15,651 |
| Goodwill | | 22,953 |
| Net assets acquired | $ | 38,604 |

During the years ended May 29, 2021 and May 30, 2020, the fair value of the Veracity contingent consideration liability increased by $4.5 million and $1.3 million, respectively. Such amounts were recorded in selling, general and administrative expenses in the Consolidated Statements of Operations. In November 2020, the Company paid $5.3 million in contingent consideration to the former owners of Veracity relating to the first earn-out period. As of May 29, 2021, the contingent consideration liability related to Veracity for the second and final earn-out period was $6.8 million, all of which was included in Other current liabilities in the Consolidated Balance Sheet. As of May 30, 2020, the contingent consideration liability was $7.6 million, of which $5.0 million was included in Other current liabilities and $2.6 million was included in Other long-term liabilities in the Consolidated Balance Sheet.

Results of operations of Veracity are included in the Consolidated Statements of Operations from the date of acquisition. Veracity contributed $26.2 million to consolidated revenue and $6.6 million to income from operations during the year ended May 29, 2021, and $18.8 million to consolidated revenue and $4.1 million to income from operations during the year ended May 30, 2020. The Company incurred $0.6 million in acquisition costs which were recorded in selling, general and administrative expenses in the Consolidated Statements of Operations during the year ended May 30, 2020.

***Dispositions***

As part of its restructuring initiatives in Europe, the Company completed or substantially completed the dissolution of certain of its foreign subsidiaries in Europe as of May 29, 2021. The dissolutions did not have a material impact on the Company's financial condition, results of operations or cash flows for the year ended May 29, 2021. See Note 13 – *Restructuring Activities* for further information on the Company's restructuring initiatives.

***Prior Year Dispositions***

During the fourth quarter of fiscal 2020, the Company discontinued its operations in Belgium, Luxembourg and Norway. All three legal entities were dissolved as of the end of fiscal 2020. In connection with the foregoing sale of assets and exit activities, the Company incurred costs of approximately $0.7 million primarily related to employee termination benefits. Such expenses were included in selling, general and administrative expenses in the Consolidated Statements of Operations for the year ended May 30, 2020. None of the markets sold or exited are considered strategic components of the Company's operations.

On September 2, 2019, the Company completed the sale of certain assets and liabilities of its foreign subsidiary, Resources Global Professionals Sweden AB, to Capacent Holding AB (publ), a Swedish public company, for SEK1,016,862 (approximately $105,000) in cash, resulting in a loss on sale of assets of approximately $38,000. As a part the sale, the Company transferred the majority of its local customer contracts, the existing office lease as well as all its employee consultants. As a result of the sale, the nearby Denmark and Norway markets also discontinued serving local Sweden customer contracts.

In connection with exiting the above-mentioned entities, the Company analyzed the facts and circumstances regarding its historical and current investments, along with its associated accounting and tax positions. Based on the analysis, the Company recorded a tax benefit related to the worthless stock loss in the investment in its wholly owned subsidiaries as well as worthless loans to these subsidiaries. See Note 8 – *Income taxes*.

**4. Intangible Assets and Goodwill**

The following table presents details of the Company's intangible assets, estimated lives and related accumulated amortization (dollars in thousands):

| | As of May 29, 2021 | | | As of May 30, 2020 | | |
|---|---|---|---|---|---|---|
| | Gross | Accumulated Amortization | Net | Gross | Accumulated Amortization | Net |
| Customer contracts and relationships (3-8 years) | $ 23,941 | $ (9,918) | $ 14,023 | $ 23,779 | $ (6,707) | $ 17,072 |
| Tradenames (3-10 years) | 5,164 | (3,651) | 1,513 | 4,960 | (2,735) | 2,225 |
| Backlog (17 months) | 1,210 | (1,210) | - | 1,210 | (694) | 516 |
| Consultant list (3 years) | 849 | (849) | - | 776 | (718) | 58 |
| Non-compete agreements (3 years) | 970 | (970) | - | 888 | (821) | 67 |
| Computer software (2-3.5 years) | 5,446 | (742) | 4,704 | 185 | (46) | 139 |
| Total | $ 37,580 | $ (17,340) | $ 20,240 | $ 31,798 | $ (11,721) | $ 20,077 |

The weighted-average useful lives of the customer contracts and relationships, tradenames, backlog, and computer software are approximately 7.2 years, 5.8 years, 1.4 years, and 3.3 years, respectively. The weighted-average useful life of all of the Company's intangible assets is 6.2 years.

The Company recorded amortization expense of $5.2 million, $5.7 million, and $3.8 million for the years ended May 29, 2021, May 30, 2020 and May 25, 2019, respectively. The following table presents future estimated amortization expense based on existing intangible assets (in thousands):

| | |
|---|---|
| 2022 | $ 4,399 |
| 2023 | 4,190 |
| 2024 | 3,986 |
| 2025 | 3,123 |
| 2026 | 2,330 |
| Total | $ 18,028 |

As further described in Note 18 – *Segment Information and Enterprise Reporting*, the Company changed its segment reporting effective in the second quarter of fiscal 2021, and reallocated goodwill to the new reporting units on the relative fair value basis. Concurrent with the segment change, the Company completed a goodwill impairment assessment, and concluded that no goodwill impairment existed immediately before or after the change in segment reporting.

The following table summarizes the activity in the Company's goodwill balance. The prior year information was recast to reflect the impact of the preceding segment change. Amounts are in thousands.

| | RGP | Other Segments | Total Company |
|---|---|---|---|
| Balance as of May 25, 2019 | $ 186,170 | $ 4,645 | $ 190,815 |
| Acquisitions (see Note 3) | 22,953 | 534 | 23,487 |
| Impact of foreign currency exchange rate changes | (165) | (70) | (235) |
| Balance as of May 30, 2020 | $ 208,958 | $ 5,109 | $ 214,067 |
| Impact of foreign currency exchange rate changes | 430 | 2,261 | 2,691 |
| Balance as of May 29, 2021 | $ 209,388 | $ 7,370 | $ 216,758 |

**5. Property and Equipment**

Property and equipment consist of the following (in thousands):

| | As of May 29, 2021 | As of May 30, 2020 |
|---|---|---|
| Building and land | $ 14,244 | $ 14,244 |
| Computers, equipment and software | 16,540 | 18,102 |
| Leasehold improvements | 15,609 | 19,903 |
| Furniture | 9,157 | 10,256 |
| | 55,550 | 62,505 |
| Less: accumulated depreciation and amortization | (35,007) | (38,861) |
| | $ 20,543 | $ 23,644 |

**6. Leases**

Lease cost components included within selling, general and administrative expenses in the Consolidated Statements of Operations were as follows (in thousands):

| | For the Years Ended | |
|---|---|---|
| | May 29, 2021 | May 30, 2020 |
| Operating lease cost | $ 10,604 | $ 12,308 |
| Short-term lease cost | 202 | 345 |
| Variable lease cost | 2,585 | 2,808 |
| Sublease income | (913) | (610) |
| Total lease cost | $ 12,478 | $ 14,851 |

The weighted average lease terms and discount rates for operating leases are presented in the following table:

| | As of May 29, 2021 | As of May 30, 2020 |
|---|---|---|
| Weighted average remaining lease term | 3.7 years | 4.3 years |
| Weighted average discount rate | 3.92% | 4.09% |

Cash flow and other information related to operating leases is included in the following table (in thousands):

| | For the Years Ended | |
|---|---|---|
| | May 29, 2021 | May 30, 2020 |
| Cash paid for amounts included in the measurement of operating lease liabilities | $ 13,206 | $ 13,311 |
| Right-of-use assets obtained in exchange for new operating lease obligations | $ 2,235 | $ 3,452 |

Future maturities of operating lease liabilities at May 29, 2021 are presented in the following table (in thousands):

| Years Ending: | Operating Lease Maturity |
|---|---|
| May 28, 2022 | $ 11,167 |
| May 27, 2023 | 8,878 |
| May 25, 2024 | 6,980 |
| May 31, 2025 | 3,117 |
| May 30, 2026 | 1,577 |
| Thereafter | 1,496 |
| Total minimum payments | $ 33,215 |
| Less: interest | (2,269) |
| Present value of operating lease liabilities | $ 30,946 |

The Company leases approximately 13,000 square feet of the approximately 57,000 square feet of a Company owned building located in Irvine, California to independent third parties and has operating lease agreements for sublet space with independent third parties expiring through fiscal 2025. Rental income received for the years ended May 29, 2021, May 30, 2020 and May 25, 2019 totaled $162,000, $210,000 and $240,000, respectively. Under the terms of these operating lease agreements, rental income from such third-party leases is expected to be $199,000, $219,000, $219,000 and $77,000 in fiscal 2022 through 2025, respectively.

**7. Long-Term Debt**

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 “Credit Agreement”), the Company has a $120.0 million Facility with Bank of America, which until September 3, 2020, consisted of (i) a $90.0 million revolving loan facility (“Revolving Commitment”), which included a $5.0 million sublimit for the issuance of standby letters of credit, and (ii) a $30.0 million reducing revolving loan facility (“Reducing Revolving Commitment”), any amounts of which may not be reborrowed after being repaid. The Company and Resources Connection LLC, as borrowers, entered into the Fifth Amendment to the Credit Agreement (the “Fifth Amendment”) with Bank of America, N.A. as lender on September 3, 2020, and the Sixth Amendment to the Credit Agreement (the

"Sixth Amendment") with Bank of America, N.A. as lender on May 25, 2021, both of which amended the terms of the Facility. The Fifth Amendment, among other things, (1) eliminated the $30.0 million Reducing Revolving Commitment and (2) increased the Revolving Commitment by $30.0 million to $120.0 million. The Sixth Amendment, among other things, (1) further revised the definition of Consolidated EBITDA in the Credit Agreement to include addbacks for certain restructuring costs (2) included customary provisions relating to the transition from LIBOR as the benchmark interest rate under the Credit Agreement, including providing for a Benchmark Replacement option (as defined in the Credit Agreement) to replace LIBOR, and (3) decreased the interest rate floor as described below.

Borrowings under the Facility bear interest at a rate per annum of either, at the Company's option, (i) a London Interbank Offered Rate ("LIBOR") defined in the Facility plus a margin or (ii) an alternate base rate, plus a margin,

The Facility is available for working capital and general corporate purposes, including potential acquisitions and stock repurchases. The Company's obligations under the Facility are guaranteed by all of the Company's domestic subsidiaries and certain foreign subsidiaries, and secured by essentially all assets of the Company, Resources Connection LLC and their respective domestic and foreign subsidiaries, subject to certain customary exclusions. The Facility expires on October 17, 2022.

The Facility 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 Facility requires the Company to comply with financial covenants limiting the Company's total funded debt, minimum interest coverage ratio and maximum leverage ratio. The Company was compliant with all financial covenants under the Facility as of May 29, 2021.

Upon the occurrence of an event of default under the Facility, the lender may cease making loans, terminate the Facility and declare all amounts outstanding to be immediately due and payable. The Facility specifies a number of events of default (some of which are subject to applicable grace or cure periods), including, among other things, non-payment defaults, covenant defaults, cross-defaults to other material indebtedness, bankruptcy and insolvency defaults and material judgment defaults.

The Company's borrowings under the Facility were $43.0 million and $88.0 million as of May 29, 2021 and May 30, 2020, respectively. In addition, the Company had $1.3 million of outstanding letters of credit issued under the Facility as of both May 29, 2021 and May 30, 2020. As of May 29, 2021, there was $75.7 million remaining capacity under the Facility, and the interest rate on the Company's borrowings under the Facility was 1.93%.

**8. Income Taxes**

The following table represents the current and deferred income tax (benefit) provision for federal, state and foreign income taxes attributable to operations (in thousands):

| | For the Years Ended | | |
|---|---|---|---|
| | **May 29, 2021** | **May 30, 2020** | **May 25, 2019** |
| Current | | | |
| Federal | $ (19,790) | $ 3,038 | $ 5,068 |
| State | 3,256 | 1,302 | 2,278 |
| Foreign | 1,769 | 1,686 | 2,690 |
| | (14,765) | 6,026 | 10,036 |
| Deferred | | | |
| Federal | 13,509 | 874 | 5,890 |
| State | (1,341) | 245 | 619 |
| Foreign | 52 | (202) | (46) |
| | 12,220 | 917 | 6,463 |
| | $ (2,545) | $ 6,943 | $ 16,499 |

Income before income tax (benefit) expense is as follows (in thousands):

| | For the Years Ended | | |
|---|---|---|---|
| | May 29, 2021 | May 30, 2020 | May 25, 2019 |
| Domestic | $ 23,598 | $ 36,148 | $ 41,828 |
| Foreign | (914) | (920) | 6,141 |
| | $ 22,684 | $ 35,228 | $ 47,969 |

The income tax (benefit) expense differs from the amount that would result from applying the federal statutory rate as follows:

| | For the Years Ended | | |
|---|---|---|---|
| | May 29, 2021 | May 30, 2020 | May 25, 2019 |
| Statutory tax rate | 21.0 % | 21.0 % | 21.0 % |
| State taxes, net of federal benefit | 9.0 | 3.6 | 4.9 |
| Non-U.S. rate adjustments | 3.1 | 0.9 | 1.3 |
| Stock-based compensation | 6.0 | 3.2 | 2.8 |
| Long-term net capital gains | - | - | (6.1) |
| Foreign tax credit | - | - | 9.3 |
| Valuation allowance | 7.8 | 4.1 | (2.8) |
| Global Intangible Low-Taxed Income (“GILTI”) | - | 0.9 | 1.1 |
| Worthless Stock Deduction | - | (14.8) | - |
| Worthless Debt Deduction | - | (2.6) | - |
| FIN48 | 0.1 | 1.6 | - |
| Permanent items, primarily meals and entertainment | 0.8 | 2.0 | 1.4 |
| Deferred tax impact of U.S. federal rate changes | - | - | 0.1 |
| Deferred tax impact of foreign rate changes | (1.9) | (0.2) | 1.2 |
| Prior year true-ups | (3.8) | - | - |
| Prior year interest and penalty | 3.1 | - | - |
| Federal rate benefit on NOL carryback | (56.3) | - | - |
| Other, net | (0.1) | - | 0.2 |
| Effective tax rate | (11.2)% | 19.7 % | 34.4 % |

The impact of state taxes, net of federal benefit, and foreign income taxed at other than U.S. rates fluctuates year over year due to the changes in the mix of operating income and losses amongst the various states and foreign jurisdictions in which the Company operates.

The components of the net deferred tax asset (liability) consist of the following (in thousands):

| | As of May 29, 2021 | As of May 30, 2020 |
|---|---|---|
| Deferred tax assets: | | |
| Allowance for doubtful accounts | $ 268 | $ 1,158 |
| Accrued compensation | 4,567 | 3,716 |
| Accrued expenses | 4,495 | 2,652 |
| Stock options and restricted stock | 4,435 | 4,870 |
| Foreign tax credit | 557 | 567 |
| Net operating losses | 16,931 | 12,018 |
| State taxes | 210 | 70 |
| Property and equipment | 410 | - |
| Gross deferred tax asset | 31,873 | 25,051 |
| Valuation allowance | (13,263) | (11,069) |
| Gross deferred tax asset, net of valuation allowance | 18,610 | 13,982 |
| Deferred tax liabilities: | | |
| Property and equipment | - | (547) |
| Outside basis difference - Sweden investment | (259) | (263) |
| IRC Section 481(a) adjustment | (16,786) | - |
| Goodwill and intangibles | (18,256) | (17,790) |
| Net deferred tax liability | $ (16,691) | $ (4,618) |

In March 2020, the CARES Act was enacted into law. The CARES Act made various tax law changes, including among other things (i) enacting technical corrections so that qualified improvement property can be immediately expensed under IRC Section 168(k) and (ii) allowing federal net operating losses (“NOLs”) incurred in calendar year 2018 to 2020 (RGP’s fiscal years 2019, 2020 and 2021) to be carried back to the five preceding taxable years. The NOL carryback is intended to generate tax benefits at higher tax rates in the carryback periods. As part of the Company’s tax planning strategies, management made certain changes related to the capitalization of fixed assets effective in fiscal 2021. The strategy allowed the Company to carry back the net operating losses of fiscal 2021 to fiscal years 2016 to 2018. The Company recognized a discrete tax benefit of $12.8 million in the fourth quarter of fiscal 2021.

The Company had a net income tax receivable of $36.1 million as of May 29, 2021 and $3.5 million as of May 30, 2020, respectively.

The tax benefit associated with the exercise of nonqualified stock options, disqualifying dispositions by employees of shares acquired pursuant to incentive stock options or under the Company’s ESPP, and the grant of restricted stock awards and restricted stock units reduced income taxes payable by $0.4 million and $0.9 million for the years ended May 29, 2021 and May 30, 2020, respectively.

The Company has foreign net operating loss carryforwards of $59.1 million and foreign tax credit carryforwards of $0.6 million. The foreign tax credits will expire beginning in fiscal 2023. The following table summarizes the net operating loss expiration periods.

| **Expiration Periods** | **Amount of Net Operating Losses (in thousands)** |
|---|---|
| Fiscal Years Ending: | |
| 2022 | $ 89 |
| 2023 | 139 |
| 2024 | 2,511 |
| 2025 | 593 |
| 2026 | 621 |
| 2027-2031 | 2,524 |
| Unlimited | 52,587 |
| | $ 59,064 |

The following table summarizes the activity in the Company's valuation allowance accounts (in thousands):

| | Beginning Balance | Charged to Operations | Currency Rate Changes | Ending Balance |
|---|---|---|---|---|
| Years Ended: | | | | |
| May 25, 2019 | $ 15,298 | $ (1,440) | $ (668) | $ 13,190 |
| May 30, 2020 | $ 13,190 | $ (1,919) | $ (202) | $ 11,069 |
| May 29, 2021 | $ 11,069 | $ 951 | $ 1,243 | $ 13,263 |

Realization of deferred tax assets is dependent upon generating sufficient future taxable income. Management believes that it is more likely than not that all remaining deferred tax assets will be realized through future taxable earnings or alternative tax strategies.

Deferred income taxes have not been provided on the undistributed earnings of approximately $23.7 million from the Company's foreign subsidiaries as of May 29, 2021 since these amounts are intended to be indefinitely reinvested in foreign operations. If the earnings of the Company's foreign subsidiaries were to be distributed, management estimates that the income tax impact would be immaterial as a result of the transition tax and federal dividends received deduction for foreign source earnings provided under the US Tax Cuts and Jobs Act of 2017.

The following table summarizes the activity related to the gross unrecognized tax benefits (in thousands):

| | For the Years Ended | |
|---|---|---|
| | May 29, 2021 | May 30, 2020 |
| Unrecognized tax benefits, beginning of year | $ 848 | $ 42 |
| Gross increases (decreases)-tax positions in prior period | 24 | (42) |
| Gross increases-tax positions in current period | - | 848 |
| Unrecognized tax benefits, end of year | $ 872 | $ 848 |

The Company's total liability for unrecognized gross tax benefits was $872,000 and $848,000 as of May 29, 2021 and May 30, 2020, respectively, 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. None of the unrecognized tax benefits are short-term liabilities due to the closing of the statute of limitations.

The Company's major income tax jurisdiction is the U.S., with federal statutes of limitations remaining open for fiscal 2018 and thereafter. For states within the U.S. in which the Company does significant business, the Company remains subject to examination for fiscal 2017 and thereafter. Major foreign jurisdictions in Europe remain open for fiscal years ended 2016 and thereafter.

The Company recognizes interest and penalties related to unrecognized tax benefits as a part of its provision for income taxes. During the fiscal year ended May 29, 2021, the Company accrued for interest of $24,000 as a component of the liability for unrecognized tax benefits.

**9. Accrued Salaries and Related Obligations**

Accrued salaries and related obligations consist of the following (in thousands):

| | As of May 29, 2021 | As of May 30, 2020 |
|---|---|---|
| Accrued salaries and related obligations | $ 13,231 | $ 14,795 |
| Accrued bonuses | 19,968 | 17,897 |
| Accrued vacation | 22,314 | 19,715 |
| | $ 55,513 | $ 52,407 |

**10. Concentrations of Credit Risk**

The Company currently maintains cash and cash equivalents in commercial paper or money market accounts.

Financial instruments, which potentially subject the Company to concentration of credit risk, consist primarily of trade receivables. However, concentrations of credit risk are limited due to the large number of customers comprising the Company's customer

base and their dispersion across different business and geographic areas. The Company monitors its exposure to credit losses and maintains an allowance for anticipated losses. A significant change in the liquidity or financial position of one or more of the Company’s customers could result in an increase in the allowance for anticipated losses. No single customer accounted for more than 10% of revenue for the years ended May 29, 2021, May 30, 2020 and May 25, 2019. No single customer accounted for more than 10% of trade accounts receivable as of May 29, 2021 and May 30, 2020.

**11. Stockholders’ Equity**

The Company has authorized for issuance 5,000,000 shares of preferred stock with a $0.01 par value per share. The board of directors has the authority to issue preferred stock in one or more series and to determine the related rights and preferences. No shares of preferred stock were outstanding as of May 29, 2021 and May 30, 2020.

The Company has 70,000,000 authorized shares of common stock with a $0.01 par value. At May 29, 2021 and May 30, 2020, there were 32,885,000 and 32,144,000 shares of common stock outstanding, respectively, all of which provide the holders with voting rights.

*Stock Repurchase Program*

The Company’s board of directors has periodically approved a stock repurchase program authorizing the repurchase, at the discretion of the Company’s senior executives, of the Company’s common stock for a designated aggregate dollar limit. The current program was authorized in July 2015 (the “July 2015 Program”) and set 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. The Company did not purchase any share of its common stock during the year ended May 29, 2021. During the year ended May 30, 2020, the Company purchased on the open market approximately 0.3 million shares of its common stock at an average price $15.70 per share for approximately $5.0 million. As of May 29, 2021, approximately $85.1 million remained available for future repurchases of the Company’s common stock under the July 2015 Program.

*Quarterly Dividend*

Subject to approval each quarter by its board of directors, the Company pays a regular dividend. On April 15, 2021, the board of directors declared a regular quarterly dividend of $0.14 per share of the Company’s common stock. The dividend, paid on June 10, 2021 to holders of record as of May 13, 2021, was accrued in the Company’s Consolidated Balance Sheet as of May 29, 2021 for $4.6 million. 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 Company’s current credit agreements and other agreements, and other factors deemed relevant by the board of directors.

**12. 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 (e.g., 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 $36.2 million and $30.6 million as of May 29, 2021 and May 30, 2020, respectively, which were included in Accounts Receivable in the Consolidated Balance Sheets.

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 $4.6 million and $2.9 million as of May 29, 2021 and May 30, 2020, respectively. The year over year increase of $1.7 million was primarily related to an increase in services credits earned by key clients. Revenues recognized during the year ended May 29, 2021 that were included in deferred revenues as of May 30, 2020 were $1.6 million. Revenues recognized during the year ended May 30, 2020 that were included in deferred revenues as of May 25, 2019 were $1.8 million.

**13. 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. Both the North America and APAC Plan and the European Plan consisted 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. In connection with the execution of the European Plan, the Company changed its internal management structure and its reporting structure of financial information used to assess performance and allocate resources during the second quarter of fiscal 2021. The Company revised its operating segments accordingly effective in the second quarter of fiscal 2021, resulting in a change to the Company's reportable segments into RGP and Other Segments. All of the employee termination and facility exit costs associated with the Company's restructuring initiatives are within its RGP segment, and are recorded in selling, general and administrative expenses in the Company's Consolidated Statements of Operations. Unpaid employee termination benefits were included in accounts payable and accrued expenses in the Company's Consolidated Balance Sheets. See further discussion about the Company's segment position in Note 2 – *Summary of Significant Accounting Policies* and Note 18 – *Segment Information and Enterprise Reporting*.

Restructuring costs for the years ended May 29, 2021 and May 30, 2020 were as follows (in thousands):

| | For the Year Ended May 29, 2021 | | | For the Year Ended May 30, 2020 | | |
|---|---|---|---|---|---|---|
| | North America and APAC Plan | European Plan | Total | North America and APAC Plan | European Plan | Total |
| Employee termination costs | $ 1,024 | $ 4,838 | $ 5,862 | $ 3,927 | $ - | $ 3,927 |
| Real estate exit costs | 1,052 | 666 | 1,718 | 1,055 | - | 1,055 |
| Other costs | - | 680 | 680 | - | - | - |
| Total restructuring costs | $ 2,076 | $ 6,184 | $ 8,260 | $ 4,982 | $ - | $ 4,982 |

Real estate exit costs for the year ended May 29, 2021 consisted of $0.4 million in lease early termination costs paid under the European Plan, $0.4 million in loss on disposal of property and equipment, including $0.2 million under the European Plan and $0.2 million under the North America and APAC Plan, and $0.9 million of impairment of ROU assets, including $0.1 million under the European Plan and $0.8 million under the North America and APAC Plan. Other costs incurred under the European Plan for the year ended May 29, 2021 of $0.7 million were primarily related to legal and professional fees associated with the exit of certain non-core markets in Europe. Real estate exit costs for the year ended May 30, 2020 consisted of $0.6 million of impairment of ROU assets and $0.5 million in loss on disposal of property and equipment, both under the North America and APAC Plan.

The following table summarizes the employee termination activity under both the North America and APAC Plan and the European Plan for the years ended May 30, 2020 and May 29, 2021 (in thousands):

| | |
|---|---|
| Liability balance at May 25, 2019 | $ - |
| Increase in liability (restructuring costs) | 3,927 |
| Reduction in liability (payments and others) | (2,053) |
| Liability balance at May 30, 2020 | 1,874 |
| Increase in liability (restructuring costs) | 5,862 |
| Reduction in liability (payments and others) | (6,473) |
| Liability balance at May 29, 2021 | $ 1,263 |

As of May 29, 2021, the Company has substantially completed the planned employee headcount reduction under both the North America and APAC Plan and the European Plan, and has recognized substantially all of the associated expected employee termination costs. The Company expects the remaining liability of $0.4 million and $0.9 million as of May 29, 2021, for the North America and APAC Plan and European Plan, respectively, to be paid out prior to the end of fiscal 2022. The Company currently expects to incur additional restructuring charges in fiscal 2022 as it continues to exit certain real estate leases in accordance with the Restructuring Plans. The exact amount and timing will depend on a number of variables, including market conditions. Given the current macro environment, particularly the current shift away from commercial real estate occupancy, accelerated by the Pandemic, management believes it could take longer and be more costly to terminate and sublet the Company's leases, therefore taking longer to realize the expected savings.

### 14. Stock-Based Compensation Plans

***General***

The Company's stockholders approved the 2020 Plan on October 22, 2020, which replaced and succeeded in its entirety 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. Historically, the Company has granted restricted stock units and stock option awards that typically vest in equal annual installments, and restricted stock awards vest based on an individual grant basis as described in the award agreement. Stock option grants typically terminate ten years from the date of grant. As of May 29, 2021, there were 1,851,644 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 $6.6 million, $6.1 million and $6.6 million for the years ended May 29, 2021, May 30, 2020 and May 25, 2019, 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 and stock units credited under the Directors Deferred Compensation Plan.

***Stock Options***

The following table summarizes the stock option activity for the year ended May 29, 2021 (amounts in thousands, except weighted average exercise price):

| | Number of Shares Under Option | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life (in years) | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Awards outstanding at May 30, 2020 | 5,755 | $ 16.07 | 6.18 | $ - |
| Exercised | (135) | 12.05 | | |
| Forfeited (1) | (269) | 17.54 | | |
| Expired | (795) | 17.88 | | |
| Awards outstanding at May 29, 2021 | 4,556 | $ 15.78 | 5.71 | $ 2,472 |
| Exercisable at May 29, 2021 | 3,235 | $ 15.00 | 4.85 | $ 2,469 |
| Vested and expected to vest at May 29, 2021 (2) | 4,499 | $ 15.76 | 5.68 | $ 2,472 |

*(1) For stock options forfeited, represent one share for each stock option forfeited.*
*(2) The expected to vest options are the result of applying the pre-vesting forfeiture rate assumptions to options not yet vested of 1,321,496 and 2,391,052 as of May 29, 2021 and May 30, 2020, respectively.*

The aggregate intrinsic value in the preceding table represents the total pre-tax intrinsic value, based on the Company’s closing stock price of $14.58 as of May 28, 2021 (the last trading day of fiscal 2021), which would have been received by the option holders had all option holders exercised their options as of that date.

The total pre-tax intrinsic value related to stock options exercised during the years ended May 29, 2021, May 30, 2020 and May 25, 2019 was $0.2 million, $1.2 million and $5.2 million, respectively. The total estimated fair value of stock options that vested during the years ended May 29, 2021, May 30, 2020 and May 25, 2019 was $3.2 million, $3.5 million and $5.4 million, respectively.

***Valuation and Expense Information for Stock Based Compensation Plans***

There were no employee stock option grants during the year ended May 29, 2021. The weighted average estimated fair value per share of employee stock options granted during the years ended May 30, 2020 and May 25, 2019 was $3.88 and $4.74, respectively, using the Black-Scholes model with the following assumptions:

| | For the Years Ended | |
|---|---|---|
| | May 30, 2020 | May 25, 2019 |
| Expected volatility | 30.9% - 32.9% | 31.6% - 34.7% |
| Risk-free interest rate | 1.5% - 1.8% | 3.1% - 3.2% |
| Expected dividends | 3.4% - 3.7% | 3.2% |
| Expected life | 5.6 - 8.1 years | 5.7 - 8.3 years |

***Restricted Stock Awards***

The following table summarizes the activities for the unvested restricted stock awards for the year ended May 29, 2021 (amounts in thousands, except weighted average grant-date fair value):

| | Shares | | Weighted Average Grant-Date Fair Value |
|---|---|---|---|
| Outstanding at May 30, 2020 | 90 | $ | 15.90 |
| Granted | 99 | | 12.47 |
| Vested | (62) | | 16.12 |
| Unvested as of May 29, 2021 | 127 | $ | 13.12 |
| Expected to vest as of May 29, 2021 | 115 | $ | 13.18 |

As of May 29, 2021, there was $1.4 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 1.71 years. The weighted average estimated fair value per share of restricted stock awards granted during the years ended May 29, 2021, May 30, 2020 and May 25, 2019 was $12.47, $15.98 and $13.93, respectively.

***Restricted Stock Units***

On January 1, 2018, the Company adopted the Directors Deferred Compensation Plan, which provides the members of the Company's board of directors who are not officers or employees of the Company the opportunity to defer certain compensation and equity awards paid or granted for their service in the form of stock units ("Stock Units"). The Stock Units are used solely as a device for determining the amount of cash benefit to eventually be paid to the director. Each has the same value as one share of Resources Connection, Inc. common stock. Stock Units must be retained until the director leaves the board of directors, at which time the cash value of the Stock Units is paid out. Additional Stock Units are credited to reflect dividends paid on shares of Resources Connection, Inc. common stock. Stock Units credited to a director pursuant to an election to defer compensation (and any dividend equivalents credited thereon) are fully vested at all times. Stock Units credited to a director pursuant to an election to defer an equity award are subject to the vesting conditions applicable to the equity award, except that dividend equivalents credited to a director with respect to such Stock Units are vested at all times. These liability-classified awards are re-measured at each reporting date and on settlement using the closing price of the Company's common stock on that date. Any change in fair value is recorded as stock-based compensation expense in the period. The Company recognizes stock-based compensation on these Stock Units using the straight-line method over the requisite service period.

The Company also grants restricted stock units to its employees under the 2020 Plan, which are classified as equity awards. The following table summarizes the activities for the unvested restricted stock units, including both equity- and liability-classified restricted stock units, for the year ended May 29, 2021 (amounts 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 30, 2020 | - | $ | - | 87 | $ | 10.99 | 87 | $ | 10.99 |
| Granted | 519 | | 11.41 | 54 | | 12.47 | 573 | | 11.51 |
| Vested | - | | - | (52) | | 12.25 | (52) | | 12.25 |
| Forfeited | (6) | | 11.53 | - | | - | (6) | | 11.53 |
| Unvested as of May 29, 2021 | 513 | $ | 11.40 | 89 | $ | 14.58 | 602 | $ | 11.87 |
| Expected to vest as of May 29, 2021 | 463 | $ | 11.41 | 88 | $ | 14.58 | 551 | $ | 11.91 |

As of May 29, 2021, there was $6.2 million of total unrecognized compensation cost related to unvested restricted stock units. The cost is expected to be recognized over a weighted-average period of 2.11 years. The weighted average estimated fair value per share of restricted stock units granted during the years ended May 29, 2021, May 30, 2020 and May 25, 2019 was $11.51, $14.98 and $16.08, respectively.

***Employee Stock Purchase Plan***

On October 15, 2019, the Company's stockholders approved the ESPP which superseded the 2014 Employee Stock Purchase Plan. The maximum number of shares of the Company's common stock authorized for issuance under the ESPP is 1,825,000.

The Company's 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 Company issued 506,000, 400,000 and 358,000 shares of common stock pursuant to the ESPP for the years ended May 29, 2021, May 30, 2020 and May 25, 2019, respectively. There were 1,134,355 shares of common stock available for issuance under the ESPP as of May 29, 2021.

**15. Benefit Plan**

The Company has a defined contribution 401(k) plan ("the plan") which covers all employees in the U.S. who have completed 90 days of service and are age 21 or older. Participants may contribute up to 50% of their annual salary up to the maximum amount allowed by statute. As defined in the plan agreement, the Company may make matching contributions in such amount, if any, up to a maximum of 6% of individual employees' annual compensation. The Company, at its sole discretion, determines the matching contribution made from quarter to quarter. For the years ended May 29, 2021, May 30, 2020 and May 25, 2019, the Company contributed $6.2 million, $6.5 million and $6.4 million, respectively, to the plan as Company matching contributions.

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

Additional information regarding cash flows is as follows (in thousands):

| | For the Years Ended | | |
|---|---|---|---|
| | May 29, 2021 | May 30, 2020 | May 25, 2019 |
| Income taxes paid | $ 18,034 | $ 8,258 | $ 14,229 |
| Interest paid | $ 1,562 | $ 2,191 | $ 2,440 |
| Non-cash investing and financing activities: | | | |
| Capitalized leasehold improvements paid directly by landlord | $ 121 | $ 137 | $ 2,312 |
| Acquisition of Veracity: | | | |
| Liability for contingent consideration | $ - | $ 7,570 | $ - |
| Acquisition of *taskforce:* | | | |
| Liability for contingent consideration | $ - | $ - | $ 2,195 |
| Acquisition of Expertence: | | | |
| Liability for contingent consideration | $ - | $ 328 | $ - |
| Acquisition of Accretive: | | | |
| Issuance of common stock | $ - | $ 1,141 | $ - |
| Dividends declared, not paid | $ 4,610 | $ 4,512 | $ 4,105 |

The $18.0 million income taxes paid during the year ended May 29, 2021 was partially due to the tax method change that the Company elected to make related to the capitalization of certain fixed assets as part of its overall tax planning strategies. See further discussion in Note 8 – *Income Taxes*.

**17. Commitments and Contingencies**

***Legal Proceedings***

The Company is involved in certain legal matters in the ordinary course of business. In the opinion of management, all such matters, if disposed of unfavorably, would not have a material adverse effect on the Company's financial position, cash flows or results of operations.

**18. Segment Information and Enterprise Reporting**

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 before amortization of intangible assets, depreciation expense, interest and income taxes plus stock-based compensation expense, restructuring 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. Amounts are in thousands.

| | For the Years Ended (2) | | |
|---|---|---|---|
| | May 29, 2021 | May 30, 2020 | May 25, 2019 |
| **Revenues:** | | | |
| RGP | $ 587,620 | $ 662,475 | $ 689,602 |
| Other Segments | 41,896 | 40,878 | 39,397 |
| Total revenues | $ 629,516 | $ 703,353 | $ 728,999 |
| **Adjusted EBITDA:** | | | |
| RGP | $ 77,589 | $ 87,836 | $ 87,728 |
| Other Segments | 3,580 | 2,601 | 3,323 |
| Reconciling items (1) | (28,375) | (30,551) | (26,434) |
| Total Adjusted EBITDA | $ 52,794 | $ 59,886 | $ 64,617 |

*(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) Fiscal year 2020 consisted of 53 weeks. Fiscal year 2021 and Fiscal year 2019 consisted of 52 weeks.*

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

| | For the Years Ended | | |
|---|---|---|---|
| | May 29, 2021 | May 30, 2020 | May 25, 2019 |
| Net income | $ 25,229 | $ 28,285 | $ 31,470 |
| Adjustments: | | | |
| Amortization of intangible assets | 5,228 | 5,745 | 3,799 |
| Depreciation expense | 3,897 | 5,019 | 4,679 |
| Interest expense, net | 1,600 | 2,061 | 2,190 |
| Income tax (benefit) expense | (2,545) | 6,943 | 16,499 |
| Stock-based compensation expense | 6,613 | 6,057 | 6,570 |
| Restructuring costs | 8,260 | 4,982 | - |
| Contingent consideration adjustment | 4,512 | 794 | (590) |
| Adjusted EBITDA | $ 52,794 | $ 59,886 | $ 64,617 |

The table below represents the Company's revenue and long-lived assets by geographic location (amounts in thousands):

| | Revenue for the Years Ended | | | Long-Lived Assets as of (1) | |
|---|---|---|---|---|---|
| | May 29, 2021 | May 30, 2020 | May 25, 2019 | May 29, 2021 | May 30, 2020 |
| United States | $ 502,493 | $ 568,725 | $ 575,641 | $ 40,988 | $ 50,170 |
| International | 127,023 | 134,628 | 153,358 | 4,211 | 7,762 |
| Total | $ 629,516 | $ 703,353 | $ 728,999 | $ 45,199 | $ 57,932 |

*(1) Long lived assets are comprised of property and equipment and ROU assets.*

**19. Subsequent Events**

***Repayment on Revolving Credit Facility***

On June 9, 2021, the Company repaid $10.0 million on its Facility, reducing its outstanding borrowing under the Facility to $33.0 million.

**ITEM 9.** ***CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.***

None.

**ITEM 9A.** ***CONTROLS AND PROCEDURES.***

**Evaluation of Disclosure Controls and Procedures**

As required by SEC Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (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 May 29, 2021. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of May 29, 2021.

**Management's Report on Internal Control Over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). We maintain internal control over financial reporting designed 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.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including the Company's Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting based on the criteria established in the 2013 *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included an assessment of the design of the Company's internal control over financial reporting and testing of the operational effectiveness of its internal control over financial reporting. Based on this evaluation, management has concluded that the Company's internal control over financial reporting was effective as of May 29, 2021.

The Company's independent registered public accounting firm, RSM US LLP, has audited the effectiveness of the Company's internal control over financial reporting as of May 29, 2021, as stated in their report which is included in this Item 9A under the heading "Report of Independent Registered Public Accounting Firm."

**Changes in Internal Control Over Financial Reporting**

There has been no change in the Company's internal control over financial reporting during the fiscal quarter ended May 29, 2021 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**Report of Independent Registered Public Accounting Firm**

To the Stockholders and the Board of Directors of Resources Connection, Inc.

**Opinion on the Internal Control Over Financial Reporting**
We have audited Resources Connection, Inc. and its subsidiaries' (the Company) internal control over financial reporting as of May 29, 2021, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of May 29, 2021, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements of the Company and our report dated July 23, 2021, expressed an unqualified opinion.

**Basis for Opinion**
The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and Limitations of Internal Control Over Financial Reporting**
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ RSM US LLP

Irvine, California
July 23, 2021

**ITEM 9B.** ***OTHER INFORMATION.***

None.

**ITEM 9C.** ***DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.***

Not applicable.

**PART III**

**ITEM 10.** ***DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.***

Our board of directors has adopted a code of business conduct and ethics that applies to our directors and employees, including our Chief Executive Officer, Chief Financial Officer and principal accounting officer and persons performing similar functions, as required by applicable rules of the SEC and Nasdaq Stock Market. The full text of our code of business conduct and ethics can be found on the investor relations page of our website at www.rgp.com. We intend to disclose any amendment to, or a waiver from, a provision of our code of business conduct and ethics that applies to our directors and executive officers, including our Chief Executive Officer, Chief Financial Officer and principal accounting officer, or persons performing similar functions, by posting such information on the investor relations page of our website at www.rgp.com to the extent required by applicable SEC and Nasdaq rules.

Reference is made to the information regarding directors appearing under the caption “PROPOSAL 1. ELECTION OF DIRECTORS,” and to the information under the captions “EXECUTIVE OFFICERS,” “BOARD OF DIRECTORS” and “BOARD OF DIRECTORS — AUDIT COMMITTEE,” in each case in the Company’s proxy statement related to its 2021 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended May 29, 2021, which information is incorporated herein by reference.

**ITEM 11.** ***EXECUTIVE COMPENSATION.***

The information appearing under the captions “EXECUTIVE COMPENSATION—COMPENSATION DISCUSSION AND ANALYSIS,” “COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION,” “COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION,” “EXECUTIVE COMPENSATION TABLES FOR FISCAL 2021,” “POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL” and “DIRECTOR COMPENSATION,” in each case, in the Company’s proxy statement related to its 2021 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended May 29, 2021, is incorporated herein by reference.

**ITEM 12.** ***SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.***

The information appearing under the caption “SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT” in the proxy statement related to the Company’s 2021 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended May 29, 2021, is incorporated herein by reference.

There are no arrangements, known to the Company, which might at a subsequent date result in a change in control of the Company.

The following table sets forth, for the Company's compensation plans under which equity securities of the Company are authorized for issuance, the number of shares of the Company's common stock subject to outstanding options, warrants, and rights, the weighted-average exercise price of outstanding options, warrants, and rights, and the number of shares remaining available for future award grants as of May 29, 2021:

| | Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a) | Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b) | Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c) |
|---|---|---|---|
| Equity compensation plans approved by security holders | 5,068,383 (1) | $ 15.78 (2) | 2,985,999 (3) |
| Equity compensation plans not approved by security holders | - | - | - |
| Total | 5,068,383 | $ 15.78 | 2,985,999 |

*(1) This amount consists of (i) 512,687 shares of our common stock subject to unvested restricted stock units granted under our 2020 Performance Incentive Plan, (ii) 3,617,570 shares subject to stock options granted under our 2014 Performance Incentive Plan, and (iii) 938,126 shares subject to stock options granted under our 2004 Performance Incentive Plan. This amount does not include 27,961 shares and 98,851 shares of our common stock issued and outstanding pursuant to unvested restricted stock awards under our 2014 Performance Incentive Plan and our 2020 Performance Incentive Plan, respectively, and it does not include 88,972 shares of cash-settled Stock Units issued under our Directors Deferred Compensation Plan.*

*(2) This number reflects the weighted-average exercise price of outstanding options and has been calculated exclusive of outstanding restricted stock awards and restricted stock unit awards issued under our 2014 Performance Incentive Plan and our 2020 Performance Incentive Plan and the cash-settled Stock Units issued under our Directors Deferred Compensation Plan.*

*(3) Consists of 1,134,355 shares available for issuance under our ESPP and 1,851,644 shares available for issuance under our 2020 Performance Incentive Plan. Shares available under the 2020 Performance Incentive Plan generally may be used for any type of award authorized under that plan including stock options, restricted stock, stock bonuses, performance stock, performance stock units, stock units, phantom stock and other forms of awards granted or denominated in the our common stock.*

## ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.*

The information appearing under the captions "BOARD OF DIRECTORS — DIRECTOR INDEPENDENCE" and "POLICY REGARDING TREATMENT OF RELATED PARTY TRANSACTIONS" in the proxy statement related to the Company's 2021 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended May 29, 2021, is incorporated herein by reference.

## ITEM 14. *PRINCIPAL ACCOUNTANT FEES AND SERVICES.*

The information appearing under the caption "PROPOSAL 2. RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2022" in the proxy statement related to the Company's 2021 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended May 29, 2021, is incorporated herein by reference.

## PART IV

### ITEM 15. *EXHIBIT AND FINANCIAL STATEMENT SCHEDULES.*

(a) 1. *Financial Statements.*

The following consolidated financial statements of the Company and its subsidiaries are included in Part II, Item 8 of this Annual Report on Form 10-K:

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of May 29, 2021 and May 30, 2020

Consolidated Statements of Operations for each of the three years in the period ended May 29, 2021

Consolidated Statements of Comprehensive Income for each of the three years in the period ended May 29, 2021

Consolidated Statements of Stockholders' Equity for each of the three years in the period ended May 29, 2021

Consolidated Statements of Cash Flows for each of the three years in the period ended May 29, 2021

Notes to Consolidated Financial Statements

2. *Financial Statement Schedules.*

Schedule II-Valuation and Qualifying Accounts are included in Notes 2 and 8 to the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K.

Schedules I, III, IV and V have been omitted as they are not applicable.

3. Exhibits.

**EXHIBIT INDEX**

**EXHIBITS TO FORM 10-K**

| 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). |
| 4.1 | Specimen Stock Certificate (incorporated by reference to Exhibit 4.3 to the Registrant's Amendment No. 7 to the Registrant's Registration Statement on Form S-1 filed on December 12, 2000 (File No. 333-45000)). |
| 4.2 | Description of Resources Connection, Inc.'s Capital Stock (incorporated by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 10-K for the year ended May 30, 2020). |
| 10.1+* | Resources Connection, Inc. Directors' Compensation Policy. |
| 10.2 | Sublease Agreement, dated January 21, 2010, between O'Melveny & Myers LLP and Resources Connection Inc. DBA Resources Global Professionals (incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended May 29, 2010). |
| 10.3+ | Resources Connection, Inc. 2019 Employee Stock Purchase Plan (incorporated by reference to Annex A to the Registrant's Proxy Statement filed with the SEC pursuant to Section 14(a) of the Exchange Act on September 18, 2019). |
| 10.4+ | Form of Indemnification Agreement between the Registrant and each of its directors and executive officers (incorporated by reference to Exhibit 10.26 to the Registrant's Form 10-K for the year ended May 31, 2008). |
| 10.5 | Credit Agreement, dated as of October 17, 2016, by and among, Resources Connection, Inc., Resources Connection LLC, as borrowers, Resources Healthcare Solutions LLC, RGP Property LLC, and Sitrick Brincko Group, LLC, as guarantors, and Bank of America, N.A., as lender (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 17, 2016). |
| 10.6 | Security and Pledge Agreement, dated as of October 17, 2016, by and among Resources Connection, Inc., Resources Connection LLC, as borrowers, Resources Healthcare Solutions LLC, RGP Property LLC, and Sitrick Brincko Group, LLC, as guarantors, and Bank of America, N.A., as lender (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on October 17, 2016). |
| 10.7 | First Amendment to Credit Agreement and Amendment to Security and Pledge Agreement, dated November 27, 2016, between Bank of America N.A. and Resources Connection, Inc. and Resources Connection LLC (incorporated by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 26, 2016). |
| 10.8 | Second Amendment to Credit Agreement, dated February 21, 2017, between Bank of America N.A. and Resources Connection, Inc. and Resources Connection LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended February 25, 2017). |
| 10.9 | Third Amendment to Credit Agreement, dated August 25, 2017, between Bank of America N.A. and Resources Connection, Inc. and Resources Connection LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended August 26, 2017). |
| 10.10 | Fourth Amendment to Credit Agreement, dated May 28, 2018, between Bank of America N.A. and Resources Connection, Inc. and Resources Connection LLC (incorporated by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the fiscal year ended May 26, 2018). |
| 10.11 | Fifth Amendment to Credit Agreement, dated September 3, 2020, between Bank of America N.A. and Resources Connection, Inc. and Resources Connection LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended August 29, 2020). |
| 10.12 | Sixth Amendment to Credit Agreement, dated May 25, 2021, between Bank of America N.A. and Resources Connection, Inc. and Resources Connection LLC (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on May 26, 2021). |
| 10.13+* | Directors Deferred Compensation Plan. |
| 10.14+ | Employment Agreement dated February 3, 2020 between Jennifer Ryu and Resources Connection, Inc. (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on February 4, 2020). |

| Exhibit Number | Description of Document |
|---|---|
| 10.15+ | Employment Agreement dated February 3, 2020 between Kate W. Duchene and Resources Connection, Inc. (incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on February 4, 2020). |
| 10.16+ | Letter agreement to amend Employment Agreement, dated as of January 20, 2021, to the Employment Agreement, dated as of February 3, 2020, by and between Resources Connection, Inc. and Kate W. Duchene (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended February 27, 2021). |
| 10.17+ | Employment Agreement dated February 21, 2020 between Tim Brackney and Resources Connection, Inc. (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended February 22, 2020). |
| 10.18+ | Retention Bonus Recovery Agreement dated February 21, 2020 between Tim Brackney and Resources Connection, Inc. (incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended February 22, 2020). |
| 10.19+ | Resources Connection, Inc. 2020 Performance Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 29, 2020). |
| 10.20+ | Form of Notice of Restricted Stock Unit Award and Terms and Conditions of Restricted Stock Unit Award under the Resources Connection, Inc. 2020 Performance Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended November 28, 2020). |
| 10.21+* | Non-Employee Director Restricted Stock Award Program and Form of Director Restricted Stock Agreement under the Resources Connection, Inc. 2020 Performance Incentive Plan. |
| 10.22+* | Resources Connection, Inc. 2020 Performance Incentive Plan Restricted Stock Award Terms and Conditions. |
| 10.23+ | Resources Connection, Inc. 2014 Performance Incentive Plan (incorporated by reference to Exhibit 10.22 to the Registrant's Current Report on Form 8-K filed on October 28, 2014). |
| 10.24+ | Resources Connection, Inc. 2014 Performance Incentive Plan Terms and Conditions of Nonqualified Stock Option (incorporated by reference to Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the year ended May 26, 2018). |
| 10.25+ | Resources Connection, Inc. 2014 Performance Incentive Plan Restricted Stock Award Terms and Conditions (incorporated by reference to Exhibit 10.8 to the Registrant's Annual Report on Form 10-K for the year ended May 26, 2018). |
| 10.26+ | Resources Connection, Inc. 2014 Performance Incentive Plan - Canada Terms and Conditions of Nonqualified Stock Option (incorporated by reference to Exhibit 10.9 to the Registrant's Annual Report on Form 10-K for the year ended May 26, 2018). |
| 10.27+ | Resources Connection, Inc. 2014 Performance Incentive Plan Terms and Conditions of Nonqualified Stock Option (Netherlands) (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended May 26, 2018). |
| 21.1* | List of Subsidiaries. |
| 23.1* | Consent of Independent Registered Public Accounting Firm. |
| 31.1* | 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. |
| 31.2* | 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 |
| 32.1** | Rule 1350 Certification of Chief Executive Officer. |
| 32.2** | Rule 1350 Certification of Chief Financial Officer. |
| 101.INS* | XBRL Instance – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH* | XBRL Taxonomy Extension Schema. |
| 101.CAL* | XBRL Taxonomy Extension Calculation. |
| 101.DEF* | XBRL Taxonomy Extension Definition. |
| 101.LAB* | XBRL Taxonomy Extension Labels. |
| 101.PRE* | XBRL Taxonomy Extension Presentation. |
| 104* | Cover Page Interactive Data File – the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |

* Filed herewith.

** Furnished herewith.

\+ Indicates a management contract or compensatory plan or arrangement.

**ITEM 16.** ***FORM 10-K SUMMARY.***

Not applicable.

## SIGNATURES

**Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.**

RESOURCES CONNECTION, INC.

By: /s/ JENNIFER RYU
Jennifer Ryu
*Chief Financial Officer*

Date: July 23, 2021

**Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.**

| Signature | Title | Date |
|---|---|---|
| /s/ KATE W. DUCHENE<br>Kate W. Duchene | President, Chief Executive Officer and Director<br>*(Principal Executive Officer)* | July 23, 2021 |
| /s/ JENNIFER RYU<br>Jennifer Ryu | Chief Financial Officer and Executive Vice President<br>*(Principal Financial Officer and Principal Accounting Officer)* | July 23, 2021 |
| /s/ ANTHONY CHERBAK<br>Anthony Cherbak | Director | July 23, 2021 |
| /s/ NEIL DIMICK<br>Neil Dimick | Director | July 23, 2021 |
| /s/ ROBERT KISTINGER<br>Robert Kistinger | Director | July 23, 2021 |
| /s/ DONALD B. MURRAY<br>Donald B. Murray | Executive Chairman and Director | July 23, 2021 |
| /s/ LISA PIEROZZI<br>Lisa Pierozzi | Director | July 23, 2021 |
| /s/ A. ROBERT PISANO<br>A. Robert Pisano | Director | July 23, 2021 |
| /s/ JOLENE SYKES SARKIS<br>Jolene Sykes Sarkis | Director | July 23, 2021 |
| /s/ MARCO VON MALTZAN<br>Marco von Maltzan | Director | July 23, 2021 |
| /s/ MICHAEL H. WARGOTZ<br>Michael H. Wargotz | Director | July 23, 2021 |

**Exhibit 10.1**

**RESOURCES CONNECTION, INC.**

**DIRECTORS' COMPENSATION POLICY**

*Revised October 19, 2017*

Directors of Resources Connection, Inc., a Delaware corporation (the "Company"), who are not employed by the Company or one of its subsidiaries ("non-employee directors") are entitled to the compensation set forth below for their service as a member of the Board of Directors (the "Board") of the Company. This revised policy is effective beginning October 19, 2017, and supersedes all prior policies concerning compensation of the Company's non-employee directors as to their service from and after that time. The Board has the right to amend this policy from time to time.

| **Cash Compensation** | |
|---|---|
| Annual Retainer | $50,000 |
| Additional Board Chair Retainer | $250,000 |
| Additional Lead Independent Director Retainer | $15,000 |
| Additional Committee Chair Retainers: | |
| Audit Committee Chair | $20,000 |
| Compensation Committee Chair | $15,000 |
| Corporate Governance and Nominating Committee Chair | $10,000 |
| Additional Committee Retainers: | |
| Audit Committee | $5,000 |
| Compensation Committee | $5,000 |
| Corporate Governance and Nominating Committee | $2,500 |
| **Equity Compensation** | |
| Annual Equity Award | $100,000<br>*pro rata portion of Annual Equity Award dependent upon appointment or election date for new directors* |

**Cash Compensation**

Each non-employee director will be entitled to an annual cash retainer while serving on the Board in the amount set forth above (the "Annual Retainer"). A non-employee director who serves as the Chair of the Board will be entitled to an additional cash retainer while serving in that position in the amount set forth above (the "Additional Board Chair Retainer"). A non-employee director who serves as the Lead Independent Director of the Board will be entitled to an additional cash retainer while serving in that position in the amount set forth above (the "Additional Lead Independent Director Retainer"). A non-employee director who serves as the Chair of the Audit Committee, the Compensation Committee or the Corporate Governance and Nominating Committee of the Board will be entitled to an additional cash retainer while serving in that position in the applicable amount set forth above (an "Additional Committee Chair Retainer"). A non-employee director who serves as a member of the Audit Committee, the Compensation Committee or the Corporate Governance and Nominating Committee of the Board will be entitled to an additional cash retainer while serving as a member of that committee in the applicable amount set forth above (an "Additional Committee Member Retainer").

The amounts of the Annual Retainer, Additional Board Chair Retainer, Additional Lead Independent Director Retainer, Additional Committee Chair Retainers and Additional Committee Member Retainers reflected above are expressed as annualized amounts. These retainers will be paid on an annual basis. New non-employee directors, including any director who is employed or formerly employed by the Company or one of its subsidiaries and who first becomes a non-employee director as a result of ceasing to be so employed, will receive a *pro rata* portion of the Annual Retainer and any applicable Additional Retainers, with the proration based on the number of calendar days

in the calendar year that the director will serve as a non-employee director or will hold the particular position, as the case may be.

**Equity Awards**

*Annual Restricted Stock Awards for Continuing Board Members*

On the first trading day of each calendar year, each non-employee director then in office will automatically be granted an award of restricted stock with respect to shares of the Company's common stock. The number of shares subject to such restricted stock award will be determined by dividing the Annual Equity Award grant value set forth above by the per-share closing price of the Company's common stock on the date of grant (rounded down to the nearest whole share). The date of grant will be the first market trading date in January. Notwithstanding the foregoing, the Board my provide for a non-employee director to receive the value of the Annual Equity Award in cash if the non-employee director's equity holdings in the Company's common stock already exceed ten times the applicable ownership level under the Company's Stock Ownership Guidelines for Directors at the time the Annual Equity Award would otherwise be granted.

*Initial Restricted Stock Awards for New Directors*

Each new non-employee director appointed or elected after the start of the calendar year, as well as an employee or former employee of the Company or one of its subsidiaries who ceases to be so employed or becomes a non-employee director after the start of a calendar year, will receive a *pro rata* portion of the Annual Equity Award set forth above (or cash equivalent if applicable) with the proration based on the number of calendar days in the calendar year that the director will serve as a non-employee director.

The number of shares subject to such Annual Equity Award will be determined by dividing the Annual Equity Award grant value set forth above by the per-share-closing price of the Company's common stock on the date of grant (rounded down to the nearest whole share). The date of grant will be the first market trading date following the appointment or election of the non-employee or director.

*Provisions Applicable to All Non-Employee Director Restricted Stock Awards*

Each Annual Equity Award will be made under and subject to the terms and conditions of the Company's 2014 Performance Incentive Plan, as amended (the "2014 Plan"), or any successor equity compensation plan approved by the Company's stockholders and in effect at the time of grant, and will be evidenced by, and subject to the terms and conditions of, an award agreement in the form approved by the Board to evidence such type of grant pursuant to this policy. Each Annual Equity Award will vest in equal annual installments over the four-year period following the grant date. Non-employee directors are also entitled to cash dividend and stockholder voting rights with respect to outstanding and unvested restricted stock awards granted under the 2004 Plan.

Annual Equity Awards granted under the 2014 Plan are generally forfeited as to the unvested portion of the award upon the non-employee director's termination of service as a director of the Company for any reason. However, in the event the non-employee director ceases to serve as a director due to his or her mandatory retirement as may be required pursuant to the Company's mandatory retirement policy as then in effect for members of the Board, each Annual Equity Award that is outstanding and otherwise unvested immediately prior to such retirement will generally become immediately vested and nonforfeitable upon the non-employee director's termination of service as a director as a result of such retirement. Annual Equity Awards, to the extent then outstanding and unvested, will become fully vested and nonforfeitable in the event of a Change in Control Event (as such term is defined in the 2014 Plan).

**Directors Deferred Compensation Plan**

A non-employee director may elect to receive stock units under the Company's Directors Deferred Compensation Plan ("Deferred Compensation Plan") in lieu of cash retainers or Annual Equity Award in the form of restricted shares, all in accordance with and subject to the terms and conditions of the Deferred Compensation Plan.

**Expense Reimbursement**

All non-employee directors will be entitled to reimbursement from the Company for their reasonable travel (including airfare and ground transportation), lodging and meal expenses incident to meetings of the Board or committees thereof or in connection with other Board-related business. The Company will make reimbursement to a non-employee director within a reasonable amount of time following submission by the non-employee director of reasonable written substantiation for the expenses.

Exhibit 10.13

**RESOURCES CONNECTION, INC.**
**DIRECTORS DEFERRED COMPENSATION PLAN**

(As Amended July 26, 2018)

## 1. PURPOSE OF PLAN

The purpose of this Plan is to afford members of the Board who are not officers or employees of the Corporation or one of its Subsidiaries the opportunity to defer the payment of certain compensation and equity awards paid or granted, as the case may be, for their service on the Board in the form of Stock Units which further align the interests of participating Board members and stockholders.

## 2. DEFINITIONS

Whenever the following words and phrases are used in this Plan, with the first letter capitalized, they shall have the meanings specified below.

“Account” shall mean the bookkeeping account maintained by the Corporation on behalf of each Director that elects to defer his or her Compensation and/or Equity Awards under this Plan and is credited with Stock Units in accordance with Section 5.1 and Dividend Equivalents thereon in accordance with Section 5.2. Subaccounts of an Account may be established for recordkeeping purposes to track Stock Units credited to the Account that are subject to different payment elections.

“Administrator” shall mean the administrator of this Plan as appointed by the Board in accordance with Section 8 of this Plan, which shall administer this Plan in accordance with the provisions hereof.

“Beneficiary” or “Beneficiaries” as to a Director shall mean the duly appointed and currently acting personal representative of the Director’s estate (which shall include either the Director’s probate estate or living trust). In any case where there is no such personal representative of the Director’s estate duly appointed and acting in that capacity within ninety (90) days after the Director’s death (or such extended period as the Administrator determines is reasonably necessary to allow such personal representative to be appointed, but not to exceed one hundred eighty (180) days after the Director’s death), then the Director’s Beneficiary shall be deemed to be the person or persons who can verify by court order that they are legally entitled to receive the benefits specified hereunder. The payment of benefits under this Plan to a Beneficiary shall fully and completely discharge the Corporation, its Subsidiaries and the Administrator from all further obligations under this Plan with respect to the Director.

“Board of Directors” or “Board” shall mean the Board of Directors of the Corporation.

“Change in Control” shall mean the occurrence of (a) a “change in the ownership” of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(v), (b) a “change in the effective control” of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(vi)(A)(1) or 1.409A-3(i)(5)(vi)(A)(2), or (c) a change “in the ownership of a substantial portion of the assets” of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(vii).

"Closing Price" shall mean, unless otherwise determined or provided by the Administrator in the circumstances and subject to adjustment pursuant to Section 6, the closing price (in regular trading) for a share of Common Stock on the NASDAQ Stock Market (the "Market") for the date in question (or, if such date is not a trading day on the Market, as of the most recent Market trading day preceding the date on question) or, if the Common Stock is no longer listed or is no longer actively traded on the Market as of the applicable date, the Closing Price of the Common Stock shall be the value as reasonably determined by the Administrator for purposes of this Plan in the circumstances.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Common Stock" shall mean the common stock of the Corporation, par value $0.01 per share, subject to adjustment pursuant to Section 6 of this Plan.

"Compensation" shall mean the amount of all periodic retainer fees, including additional chairperson, lead independent director, committee chair, and committee fees, payable to a Director for services as a member of the Board with respect to a particular Plan Year that, but for any deferral election made by such Director under this Plan, would have been payable in cash to such Director, as determined by the Administrator. To the extent that additional fees are paid for attendance at meetings, Compensation shall not include meeting fees.

"Corporation" shall mean Resources Connection, Inc., a Delaware corporation, and any successor corporation.

"Director" shall mean a member of the Board who is not an officer or employee of the Corporation or one of its Subsidiaries.

"Dividend Equivalent" shall mean Stock Units credited to a Director's Account pursuant to Section 5.2.

"Equity Award" shall mean any award of restricted stock or restricted stock units granted during a particular Plan Year by the Corporation to a Director for services as a member of the Board pursuant to the Equity Award Program.

"Equity Award Program" shall mean the Corporation's Non-Employee Director Equity Award Program, as amended from time to time, adopted under the Performance Incentive Plan.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Fair Market Value" shall mean, unless otherwise determined or provided by the Administrator in the circumstances and subject to adjustment pursuant to Section 6, the average closing price (in regular trading) for a share of Common Stock on the NASDAQ Stock Market (the "Market") for the period of ten (10) consecutive trading days ending with the last trading day before the date in question or, if the Common Stock is no longer listed or is no longer actively traded on the Market as of the applicable date, the Fair Market Value of the Common Stock shall be the value as reasonably determined by the Administrator for purposes of this Plan in the circumstances.

"Performance Incentive Plan" shall mean the Resources Connection, Inc. 2014 Performance Incentive Plan, as amended from time to time (or a successor plan thereto).

"Plan" shall mean this Resources Connection, Inc. Directors Deferred Compensation Plan as set forth herein and as amended from time to time.

"Plan Year" shall mean the calendar year, with the first Plan Year being 2018.

"Separation from Service" shall mean a Director's ceasing to serve as a member of the Board for any reason. For purposes of clarity, if at the relevant time a Director provides services for the Corporation as both an employee and as a member of the Board, to the extent permitted by Treasury Regulation Section 1.409A-1(h)(5), the services provided by such Director as an employee shall not be taken into account in determining whether the Director has experienced a Separation from Service as a director for purposes of the Plan.

"Stock Unit" shall mean a non-voting unit of measurement which is deemed solely for bookkeeping purposes to be equivalent to one outstanding share of Common Stock (subject to Section 6) solely for purposes of this Plan.

"Subsidiary" shall mean any corporation or other entity a majority of whose outstanding voting stock or voting power is beneficially owned directly or indirectly by the Corporation.

**3. PARTICIPATION**

Directors will be eligible to defer all or a portion of their Compensation and/or Equity Awards in accordance with Section 4.1. Notwithstanding anything else contained in this Plan to the contrary, the Administrator may, in its sole discretion and effective as of the end of any Plan Year, terminate the ability of a Director to defer additional amounts under Section 4.1.

**4. CONTRIBUTIONS**

**4.1** ***Elections to Defer Compensation and Equity Awards***.

**4.1.1** Amount and Timing of Deferrals. Subject to Section 3 above, a Director may elect to defer any percentage or dollar amount of his or her Compensation with respect to a Plan Year up to 100% of the amount of such Compensation. In addition, a Director may elect to receive any Equity Award granted or to be granted, as the case may be, to the Director during a Plan Year in the form of Stock Units credited under this Plan and defer the payment of up to 100% of such Stock Units as provided herein. Except as provided in Section 4.1.2, any election by a Director to defer Compensation and any Equity Award must be filed with the Corporation, on a form and in a manner prescribed by the Corporation, by December 31 preceding the Plan Year with respect to which such election is effective or such earlier deadline as may be established by the Administrator with respect to such Plan Year.

**4.1.2** First Year of Eligibility. In the case of an individual to be elected or appointed to the Board for the first time (i.e., a new Director) who was not

previously employed by the Corporation or one of its Subsidiaries, he or she may make an election to defer Compensation and any Equity Award by filing a deferral election with the Corporation, on a form and in a manner prescribed by the Corporation, prior to the first day on which he or she is a Director. Such election shall be effective beginning with the Plan Year in which the individual is first a Director as to Compensation and any Equity Award earned for services performed on or after the date he or she is first a Director.

**4.1.3** "Evergreen" Duration of Deferral Election and Changes to Deferral Elections. Any election to defer Compensation or any Equity Award made under Section 4.1.1 or Section 4.1.2 shall be irrevocable and shall continue in effect for (1) the Plan Year for which it is effective, and (2) unless and until a new election by the Director becomes effective as provided below, each subsequent Plan Year for so long as the Director remains a member of the Board. If a Director makes a new election pursuant to Section 4.1.1 or provides the Corporation with written notice to terminate deferrals, such new election shall take effect beginning with the first new Plan Year to commence after such election or notice is received by the Corporation. A Director who has filed an election to terminate deferrals under this Plan may elect to recommence deferrals for future Plan Years by filing a new election pursuant to Section 4.1.1.

**5. ACCOUNTS**

**5.1** ***Crediting of Stock Units***. The Corporation shall establish and maintain an Account for each Director who has elected under Section 4.1 to defer a portion of his or her Compensation or Equity Awards. On or as soon as administratively practical after the date Compensation a Director has elected to defer under Section 4.1 would otherwise have been paid to the Director but for such deferral (the "Cash Payment Date"), the Corporation shall credit such Director's Account with a number of Stock Units determined by dividing the amount of such Compensation deferred by the Director to this Plan by the Fair Market Value of a share of Common Stock as of the corresponding Cash Payment Date. On or as soon as administratively practical after the date an Equity Award that a Director has elected to defer under Section 4.1 is granted, the Corporation shall credit such Director's Account with a number of Stock Units equal to the number of Stock Units the Director has elected to defer hereunder.

**5.2** ***Dividend Equivalents***. As of any date on which the Corporation pays an ordinary cash dividend on its Common Stock (the "Dividend Payment Date"), the Director's Account shall be credited with additional 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 (including any Dividend Equivalents previously credited hereunder) in the Director's Account at the start of business as of the related dividend payment record date, divided by (iii) the Closing Price of a share of Common Stock as of the Dividend Payment Date.

**5.3** ***Account Not Funded; No Stockholder Rights***. A Director's Account shall be a memorandum account on the books of the Corporation. The Stock Units credited to a Director's Account shall be used solely as a device for the determination of the amount of cash benefit to be eventually paid to such Director in accordance with this Plan. The Stock Units shall not be treated as property or as a trust fund of any kind. No Director shall be entitled to any voting or other stockholder rights with respect to Stock Units credited under this Plan. The number of Stock Units credited (and the underlying shares of Common Stock to which the Stock Units relate) shall be subject to adjustment in accordance with Section 6 of this Plan.

**5.4** ***Reduction in Stock Units***. A Director's Account shall be reduced by the number of Stock Units with respect to which payment is made or that terminate because the vesting requirements applicable to the Stock Units are not satisfied.

**5.5** ***Vesting of Stock Units***. Stock Units credited to a Director's Account pursuant to an election to defer Compensation (and any Dividend Equivalents credited thereon) are 100 percent vested at all times. Stock Units credited to a Director's Account pursuant to an election to defer an Equity Award shall be subject to the vesting conditions applicable to such Equity Award pursuant to the Corporation's Equity Award Program (and, to the extent such vesting conditions are not met, shall be subject to termination without payment in accordance with the terms of the Equity Award Program); provided that Dividend Equivalents credited to a Director's Account with respect to such Stock units shall be 100 percent vested at all times.

## 6. ADJUSTMENTS IN CASE OF CHANGES IN COMMON STOCK

Upon (or, as may be necessary to effect the adjustment, immediately prior to): any reclassification, recapitalization, stock split (including a stock split in the form of a stock dividend) or reverse stock split; any merger, combination, consolidation, or other reorganization; any spin-off, split-up, or similar extraordinary dividend distribution in respect of the Common Stock; or any exchange of Common Stock or other securities of the Corporation, or any similar, unusual or extraordinary corporate transaction in respect of the Common Stock; then the Administrator shall equitably and proportionately adjust (1) the number, amount and type of shares of Common Stock (or other securities or property) that may become payable (or with respect to which the value of Stock Units is measured, as the case may be) with respect to the Stock Units credited under this Plan, as well as (2) the closing prices taken into account in determining Fair Market Value to the extent such an event occurs during the trading days over which the Fair Market Value is determined, in each case to the extent necessary to preserve the intended level of benefits (but without duplication of benefits if Dividend Equivalents are credited with respect to any such event). Without limiting the generality of Section 8, any good faith determination by the Administrator as to whether an adjustment is required in the circumstances pursuant to this Section 6, and the extent and nature of any such adjustment, shall be conclusive and binding on all persons.

## 7. PAYMENT OF STOCK UNITS

**7.1** ***Timing of Payment of Stock Units***.

**7.1.1** Timing of Payment Generally. Stock Units credited to a Director's Account, to the extent such Stock Units are then vested, shall be paid to the Director in a lump sum upon or as soon as administratively practical following (and in all events within thirty (30) days following) the Director's Separation from Service; provided, however, that at the time of making a deferral election pursuant to Section 4.1, a Director may elect to have the Stock Units subject to such election paid in substantially equal annual installments (not less than two (2) installments and not more than ten (10) installments), with the first such installment to be paid upon or as soon as administratively practical following (and in all events within thirty (30) days following) the Director's Separation from Service and the remaining installments to be paid each year thereafter in the same calendar month in which the Director's Separation from Service occurs until the entire Account has been paid. For example, if a Director elects payment in annual installments over five (5) years, the first installment payment would equal one-fifth ($1/5^{th}$) of the Stock Units subject to such election and credited to the Director's Account as of the Director's Separation from Service (rounded to the nearest whole share), the second installment payment would equal one-fourth ($1/4^{th}$) of the Stock Units subject to such election and credited to the Director's Account as of the start of the month for the month in which the first anniversary of the Director's Separation from Service occurs (rounded to the nearest whole share), and so on. The final payment (whether lump sum or installments) shall be rounded down to the nearest whole share.

**7.1.2** "Evergreen" Duration of Payment Election and Changes to Payment Elections. A Director's election as to the form of payment of his or her Account made under this Section 7.1 shall be irrevocable and shall apply to Stock Units (including Dividend Equivalent Stock Units) credited in respect of deferrals of Compensation and Equity Awards for the Plan Year for which it is effective and each subsequent Plan Year for so long as the Director remains a member of the Board unless, prior to the commencement of such subsequent Plan Year, the Director makes a new election pursuant to Section 4.1 that provides a different timing of payment for the deferred Compensation and Equity Awards for such subsequent Plan Year (but, for purposes of clarity, any such new election shall not apply to the Plan Year in which it is made or any prior Plan Year). Notwithstanding the foregoing, if a Change in Control occurs before any Stock Units credited to a Director's Account otherwise become payable (including any installment payments that the Director may have elected that have not yet become payable), such Stock Units shall be paid to the Director in a lump sum upon or as soon as administratively practical following (and in all events within thirty (30) days following) the Change in Control.

**7.2** ***Form of Payment***. Distribution of Stock Units shall be made in the form of a cash payment equal to, for each Stock Unit to be paid, the Fair Market Value of a share of Common Stock as of the date of payment.

**7.3** ***Specified Employees***. Notwithstanding any provision of this Plan to the contrary, if any payment of Stock Units pursuant to this Section 7 is triggered by a Director's Separation from Service and the Director is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Director's Separation from Service, the Director shall not be entitled to receive such payment until the earlier of (i) the date which is six (6) months after the Director's Separation from Service for any reason other than death, or (ii) the date of the Director's death. Any amounts otherwise payable to the Director upon or in the six (6) month period following the Director's Separation from Service that are not so paid by reason of this Section 7.3 shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after the Director's Separation from Service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of the Director's death). The provisions of this Section 7.3 shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Code Section 409A.

**7.4** ***Death of Director***. In the event that a Director or former Director dies before receiving payment of his or her vested Stock Units under this Plan, the balance of the Director's vested Stock Units shall be paid to the Director's Beneficiary, in the form of a lump sum payment, as soon as administratively practical after the date the Corporation is notified of the Director's death.

**8. ADMINISTRATION**

**8.1** ***Administrator***. Unless otherwise provided by the Board, this Plan shall be administered by the Compensation Committee of the Board.

**8.2** ***Powers and Duties of the Administrator***. The Administrator shall be charged with the general administration of this Plan, and shall have all powers necessary to accomplish its purposes, including, but not by way of limitation, the following:

(a) To construe and interpret the terms and provisions of this Plan;

(b) To make any required determination as to the amount or kind of benefits payable to Directors and their Beneficiaries, and to determine the time and manner in which such benefits are paid;

(c) To make and publish such rules for the regulation of this Plan and procedures for the administration of this Plan as are not inconsistent with the terms hereof; and

(d) To delegate ministerial, non-discretionary functions to individuals who are officers or employees of the Corporation or any of its Subsidiaries or to third parties.

**8.3** ***Binding Determinations; Indemnification***. Any action taken by, or inaction of, the Corporation, any Subsidiary, or the Administrator relating or pursuant to this Plan and within its authority hereunder or under applicable law shall be within the

absolute discretion of that entity or body and shall be conclusive and binding upon all persons. Neither the Board nor any Board committee, nor any member thereof or person acting at the direction thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with this Plan (or any Stock Units credited under this Plan), and all such persons shall be entitled to indemnification and reimbursement by the Corporation in respect of any claim, loss, damage or expense (including, without limitation, attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under any directors and officers liability insurance coverage that may be in effect from time to time.

**8.4** ***Information***. To enable the Administrator to perform its functions, the Corporation shall supply full and timely information to the Administrator on all matters relating to the compensation of all Directors, their termination of service, and such other pertinent facts as the Administrator may require.

**8.5** ***Annual Statements***. At least annually, the Corporation shall provide each Director with an Account a statement as to the number of Stock Units credited as of the date of such statement to such Director's Account.

**9. MISCELLANEOUS**

**9.1** ***Unsecured General Creditor***. Directors and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, claims, or interest in any specific property or assets of the Corporation or any of its Subsidiaries. No assets of the Corporation or any Subsidiary shall be held under any trust or held in any way as collateral security for the fulfilling of the obligations of the Corporation under this Plan. Any and all of the assets of the Corporation and its Subsidiaries shall be, and remain, the general unpledged, unrestricted assets of each such entity. The Corporation's obligations under this Plan shall be merely that of an unfunded and unsecured promise of the Corporation to pay money in the future to those persons to whom the Corporation has a benefit obligation under this Plan (as determined in accordance with the terms hereof), and the respective rights of the Directors and Beneficiaries shall be no greater than those of unsecured general creditors.

**9.2** ***Restriction Against Assignment***. The Corporation shall pay all amounts payable hereunder only to the person or persons designated by this Plan and not to any other person or corporation. No part of a Director's Account shall be liable for the debts, contracts, or engagements of any Director, his or her Beneficiary, or successors in interest, nor shall a Director's Account be subject to execution by levy, attachment, or garnishment or by any other legal or equitable proceeding, nor shall any such person have any right to alienate, anticipate, commute, pledge, encumber, or assign any benefits or payments hereunder in any manner whatsoever. If any Director, Beneficiary or successor in interest is adjudicated bankrupt or purports to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any distribution or payment from this Plan, voluntarily or involuntarily, the Administrator, in its discretion, may cancel such distribution or payment (or

any part thereof) to or for the benefit of such Director, Beneficiary or successor in interest in such manner as the Administrator shall direct.

**9.3** ***Withholding***. The Corporation may, in its reasonable discretion, satisfy the amount of any state or federal tax withholding obligation with respect to any Compensation deferred under this Plan or benefits payable under this Plan by either (a) deducting such amounts from any compensation payable by the Corporation to the Director, or (b) reducing the Director's deferral amount (in the case of such obligations arising in connection with a Compensation deferral) or benefits payable under this Plan (in the case of such obligations arising in connection with such payment) by the amount necessary to satisfy such withholding obligation.

**9.4** ***Amendment, Modification, Suspension or Termination***. The Board or the Administrator may at any time amend or modify this Plan, except that no amendment or modification shall have any retroactive effect to reduce any amounts allocated to a Director's Account. In addition, the Board or the Administrator reserves discretion to terminate this Plan and pay the Stock Units credited to Director's Account hereunder to the Director, in each case in accordance with Treasury Regulation Section 1.409A-3(j)(4)(ix).

**9.5** ***Governing Law; Severability***. This Plan shall be construed, governed and administered in accordance with the laws of the State of Delaware. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

**9.6** ***Payments on Behalf of Persons Under Incapacity***. In the event that any amount becomes payable under this Plan to a person who, in the sole judgment of the Administrator, is considered by reason of physical or mental condition to be unable to give a valid receipt therefore, the Administrator may direct that such payment be made to any person found by the Administrator, in its sole judgment, to have assumed the care of such person. Any payment made pursuant to such determination shall constitute a full release and discharge of the Administrator, the Corporation and its Subsidiaries.

**9.7** ***No Service Commitment***. Nothing contained in this Plan constitutes a continued service commitment by the Corporation or interferes with the right of the Corporation to increase or decrease the compensation of the Director from the rate in existence at any time. No Director shall have any right to any payment or benefit hereunder except to the extent provided in this Plan.

**9.8** ***Compliance with Laws***. This Plan and the offer, issuance and delivery of shares of Common Stock and/or the payment of money through the deferral of compensation under this Plan are subject to compliance with all applicable federal and state laws, rules and regulations (including but not limited to state and federal securities law) and to such approvals by any listing, agency or any regulatory or governmental authority as may, in the opinion of counsel for the Corporation, be necessary or advisable in connection therewith. Any securities delivered under this Plan shall

be subject to such restrictions, and the person acquiring such securities shall, if requested by the Corporation, provide such assurances and representations to the Corporation as the Corporation may deem necessary or desirable to assure compliance with all applicable legal requirements.

**9.9** ***Construction and Interpretation***. It is the intent of the Corporation that transactions pursuant to this Plan satisfy and be interpreted in a manner that satisfies the applicable requirements of Rule 16b-3 promulgated under the Exchange Act (“Rule 16b-3”) so that, to the extent elections are timely made, the crediting of Stock Units, the payment of Stock Units and any other event with respect to Stock Units under this Plan will be entitled to the benefits of Rule 16b-3 or other exemptive rules under Section 16 of the Exchange Act and will not be subjected to avoidable liability thereunder.

This Plan is intended to comply with Section 409A of the Code (including the Treasury Regulations and other published guidance relating thereto) so as not to subject any Director to payment of any additional tax, penalty or interest imposed under Code Section 409A. The provisions of this Plan shall be construed and interpreted to avoid the imputation of any such additional tax, penalty or interest under Code Section 409A yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Director. Each payment and installment payable under this Plan is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

**9.10** ***Headings, etc. Not Part of Agreement***. Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

**RESOURCES CONNECTION, INC.**
**2020 PERFORMANCE INCENTIVE PLAN**
**NON-EMPLOYEE DIRECTOR RESTRICTED STOCK AWARD PROGRAM**

1. **Establishment; Purpose**. This Non-Employee Director Restricted Stock Award Program (this "**Program**") is adopted under the Resources Connection, Inc. 2020 Performance Incentive Plan, as amended from time to time (the "**Plan**"). The purpose of this Program is to promote the success of the Corporation and the interests of its stockholders by providing members of the Board who are not officers or employees of the Corporation or any of its Subsidiaries ("**Non-Employee Directors**") an opportunity to acquire an ownership interest in the Corporation and more closely aligning the interests of Non-Employee Directors and stockholders. Except as otherwise expressly provided herein, the provisions of the Plan shall govern all awards made pursuant to this Program. Capitalized terms are defined in the Plan if not defined herein.

2. **Participation**. Awards under this Program shall be made only to Non-Employee Directors and shall be further subject to such other terms and conditions set forth therein. A restricted stock award under this Program shall be evidenced by an award agreement substantially in the form attached hereto as Exhibit A. If a Non-Employee Director has elected to receive stock units pursuant to the Corporation's Directors Deferred Compensation Plan (the "**Deferred Compensation Plan**"), such stock units shall be governed by the terms and conditions of the Deferred Compensation Plan, the Non-Employee Director's applicable election(s) under the Deferred Compensation Plan, and the provisions of this Program (which, together, shall constitute the award agreement as to those stock units). The Administrator may require a Non-Employee Director to execute the award agreement evidencing his or her award grant under this Program as a condition to the effectiveness of such grant.

3. **Annual Restricted Stock Awards**.

**3.1** ***Initial Award for New Directors***. Upon first being appointed or elected to the Board after the date on which the Board approves this Program, each Non-Employee Director who has not previously served on the Board shall be granted automatically (without any action by the Board or the Administrator) a restricted stock award, the date of grant of which will be the date such Non-Employee Director is first appointed or elected to the Board. The number of shares subject to each such restricted stock award will be determined by dividing the pro rata portion of the Annual Non-Employee Director Award of $100,000 (with the proration based on the number of calendar days in the calendar year that the director will serve as a Non-Employee Director) by the per-share closing price of the Common Stock on the date of grant (rounded down to the nearest whole share).

**3.2** ***Subsequent Annual Awards***. For each calendar year during the term of the Plan commencing in 2021, each Non-Employee Director shall be granted automatically (without any action by the Board or Administrator) a restricted stock award (or, if the Non-Employee Director has so elected in accordance with the terms of the Deferred Compensation Plan, stock units under the Deferred Compensation Plan), the date of grant of which will be such first trading day in January of such calendar year. The number of

shares subject to each such award will be determined by dividing $100,000 by the per share closing price of the Common Stock on the date of grant (rounded down to the nearest whole share). An individual who was previously a member of the Board, who then ceased to be a member of the Board for any reason, and who then again becomes a Non-Employee Director shall thereupon again become eligible to be granted an award under this Section 3.2.

**3.3** ***Transfer Restrictions***. Restricted stock awards granted pursuant to this Section 3 shall be subject to the transfer restrictions set forth in Section 5.6 of the Plan. For purposes of clarity, the Administrator has not approved any transfer exceptions with respect to the restricted stock in accordance with Section 5.6.2 of the Plan.

**4.** **Vesting**. Each award granted under Section 3 above (including stock units credited under the Deferred Compensation Plan) and all rights or obligations under this Program (and the Deferred Compensation Plan as to stock units credited thereunder) shall be subject to termination as provided below. Subject to Sections 5, 6 and 7 hereof, each award granted under Section 3 shall vest, and restrictions shall lapse, with respect to 25% of the total number of shares (or units, as the case maybe) subject thereto (subject to adjustment under Section 6) on each of the first, second, third and fourth anniversaries of the date of grant of the award; provided that regular cash dividends (including dividend equivalents for regular cash dividends as to stock units credited under the Deferred Compensation Plan) shall be fully vested.

**5.** **Termination of Directorship**. If a Non-Employee Director's services as a member of the Board terminate for any reason, whether with or without cause, voluntarily or involuntarily (the date of such termination is referred to as the Non-Employee Director's "Severance Date"), then any award granted to the Non-Employee Director pursuant to Section 3 above (including stock units credited under the Deferred Compensation Plan) and outstanding on the Non-Employee Director's Severance Date shall terminate on that date to the extent not previously vested (except in the event of mandatory retirement as provided below). If any unvested shares of restricted stock, or stock units credited under the Deferred Compensation Plan, are terminated hereunder, such restricted stock or units, as the case may be, shall automatically terminate and be cancelled as of the Severance Date without payment of any consideration by the Corporation and without any other action by the Non-Employee Director, or the Non-Employee Director's beneficiary or personal representative, as the case may be.

In the event that a Non-Employee Director ceases to be a member of the Board due to his or her mandatory retirement as required under the Corporation's mandatory retirement policy as then in effect for members of the Board, each award granted to such Non-Employee Director under Section 3 above that is outstanding and otherwise unvested immediately prior to such retirement shall become fully vested and nonforfeitable upon the Non-Employee Director's Severance Date as a result of such mandatory retirement.

Notwithstanding the preceding provisions of this Section 5, if a Non-Employee Director ceases to be a member of the Board (regardless of the reason) but, immediately thereafter, is employed by the Corporation or one of its Subsidiaries, then his or her Severance Date shall not occur until the first date that he or she is not a member of the Board and is not employed by the Corporation or one of its Subsidiaries.

The vesting schedule set forth in Section 4 requires continued service through each applicable vesting date as a condition to the vesting of the applicable installment of the award, except as otherwise expressly provided above. Service for only a portion of the vesting period, even if a substantial portion, will not entitle the Non-Employee Director to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of services as provided above.

Nothing contained in this Program constitutes a service commitment by the Corporation, confers upon a Non-Employee Director any right to remain 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 services, or affects the right of the Corporation or any of its Subsidiaries to increase or decrease the Non-Employee Director's other compensation or benefits. Nothing in this paragraph, however, is intended to adversely affect any independent contractual right of a Non-Employee Director without his or her consent thereto.

**6.** **Adjustments**. Shares of restricted stock subject to awards granted under this Program shall be subject to adjustment as provided in Section 7.1 of the Plan, but only to the extent that such adjustment is consistent with adjustments to shares of restricted stock held by persons other than executive officers or directors of the Corporation (to the extent that persons other than executive officers or directors of the Corporation then hold shares of restricted stock). The grant levels reflected in Section 3 above shall be automatically adjusted upon the record date for any stock split, reverse stock split, or stock dividend to give effect to such change in capitalization unless otherwise provided by the Board in the circumstances, and may be adjusted in the discretion of the Board in any other circumstances contemplated by Section 7.1 of the Plan.

**7.** **Acceleration and Possible Early Termination**. Upon the occurrence of a Change in Control Event (as such term is defined below), each award granted under Section 3 above (including stock units credited under the Deferred Compensation Plan), to the extent such award is then outstanding, shall become immediately vested and nonforfeitable in full. Each restricted stock award shall be subject to adjustment pursuant to Section 7 of the Plan in connection with such event.

For purposes of this Section 7, a "**Change in Control Event**" means any of the following:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a "**Person**")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of either (1) the then-outstanding shares of common stock of the Corporation (the "**Outstanding Company Common Stock**") or (2) the combined voting power of the then-outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "**Outstanding Company Voting Securities**"); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control Event; (A) any acquisition directly from the Corporation, (B) any acquisition by the Corporation, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any affiliate of the Corporation or a successor, or (D) any acquisition by any entity pursuant to a transaction that complies with Sections (c)(1), (2) and (3) below;

(b) Individuals who, as of the Effective Date, constitute the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Corporation's stockholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board (including for these purposes, the new members whose election or nomination was so approved, without counting the member and his predecessor twice) shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Corporation or any of its Subsidiaries, a sale or other disposition of all or substantially all of the assets of the Corporation, or the acquisition of assets or stock of another entity by the Corporation or any of its Subsidiaries (each, a "**Business Combination**"), in each case unless, following such Business Combination, (1) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Corporation or all or substantially all of the Corporation's assets directly or through one or more subsidiaries (a "**Parent**")) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (2) no Person (excluding any entity resulting from such Business Combination or a Parent or any employee benefit plan (or related trust) of the Corporation or such entity resulting from such Business Combination or Parent) beneficially owns, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of common stock of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that the ownership in excess of more than 50% existed prior to the Business Combination, and (3) at least a majority of the members of the board of directors or trustees of the entity resulting from such Business Combination or a Parent were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(d) Approval by the stockholders of the Corporation of a complete liquidation or dissolution of the Corporation other than in the context of a transaction that does not constitute a Change in Control Event under clause (c) above.

**8. Maximum Number of Shares; Amendment; Administration**. If award grants otherwise required pursuant to this Program would otherwise exceed any applicable share limit under Section 4.2 of the Plan, such grants shall be made pro-rata to directors entitled to such grants. The Board may from time to time amend this Program without stockholder approval; provided that no such amendment shall materially and adversely affect the rights of a Non-Employee Director as to an award granted under this Program before the adoption of such amendment. This Program does not limit the Board's authority to make other, discretionary award grants to Non-Employee Directors pursuant to the Plan. The Plan Administrator's power and authority to construe and interpret the Plan and awards thereunder pursuant to Section 3.1 of the Plan shall extend to this Program and awards granted hereunder. As provided in Section 3.2 of the Plan, any action taken by, or inaction of, the Administrator relating or pursuant to this Program and within its authority or under applicable law shall be within the absolute discretion of that entity or body and shall be conclusive and binding upon all persons.

EXHIBIT A

**RESOURCES CONNECTION, INC.**

**2020 PERFORMANCE INCENTIVE PLAN**

**NON-EMPLOYEE DIRECTOR RESTRICTED STOCK AWARD PROGRAM DIRECTOR RESTRICTED STOCK AWARD AGREEMENT**

**THIS DIRECTOR RESTRICTED STOCK AWARD AGREEMENT** (this "**Award Agreement**") is dated as of _______ (the "**Award Date**") by and between Resources Connection, Inc., a Delaware corporation (the "**Corporation**"), and ________ (the "**Director**").

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

**WHEREAS**, pursuant to the Non-Employee Director Restricted Stock Award Program (the "**Program**"), adopted under the Resources Connection, Inc. 2020 Performance Incentive Plan, as amended from time to time (the "**Plan**"), the Corporation hereby grants to the Director, effective as of the date hereof, a restricted stock award (the "**Award**"), upon the terms and conditions set forth herein and in the Program and the Plan.

**NOW THEREFORE**, in consideration of services rendered and to be rendered by the Director, and the mutual promises made herein and the mutual benefits to be derived therefrom, the parties agree as follows:

**1.** **Defined Terms**. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Plan.

**2.** **Grant**. Subject to the terms of this Award Agreement and of the Program, the Corporation hereby grants to the Director an Award with respect to an aggregate of _____ restricted shares of Common Stock of the Corporation (the "**Restricted Stock**").

**3.** **Vesting**. Subject to the terms of the Program and Section 8 below, the Award shall vest, and restrictions (other than those set forth in Section 8.1 of the Plan) shall lapse, in percentage installments as set forth in Section 4 of the Program. 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.

**4.** **Continuance of Service**. The vesting schedule set forth in Section 4 of the Program requires continued 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. Service for only a portion of the vesting period, even if a substantial portion, will not entitle the Director to any proportionate vesting or avoid or mitigate a termination of rights and

benefits upon or following a termination of services as provided in Section 8 below or under the terms of the Program or the Plan.

Nothing contained in this Award Agreement, the Program or the Plan constitutes a service commitment by the Corporation, confers upon the Director any right to remain 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 services, or affects the right of the Corporation or any of its Subsidiaries to increase or decrease the Director's other compensation or benefits. Nothing in this paragraph, however, is intended to adversely affect any independent contractual right of the Director without his or her consent thereto.

**5.** **Dividend and Voting Rights**. After the Award Date, the Director 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 the terms of the Program or Section 8 below.

**6.** **Restrictions on Transfer**. Prior to the time that they have become vested pursuant to Section 3 hereof, the terms of the Program 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 described in Section 5.6.3 of the Plan.

**7.** **Stock Certificates**.

(a) Book Entry Form. The Corporation shall issue the shares of Restricted Stock subject to the Award either: (a) in certificate form as provided in Section 7(b) below; or (b) in book entry form, registered in the name of the Director with notations regarding the applicable restrictions on transfer imposed under this Award Agreement.

(b) Certificates to be Held by Corporation; Legend. Any certificates representing shares of Restricted Stock that may be delivered to the Director 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. Such certificates shall bear the following legend and any other legends the Corporation may determine to be necessary or advisable to comply with all applicable laws, rules, and regulations:

> *"The ownership of this certificate and the shares of stock evidenced hereby and any interest therein are subject to substantial restrictions on transfer under an Agreement entered into between the registered owner and Resources Connection, Inc. A copy of such Agreement is on file in the office of the Secretary of Resources Connection, Inc."*

(c) Delivery of Certificates Upon Vesting. Promptly after the vesting of any shares of Restricted Stock pursuant to Section 3 hereof, the terms of the Program or Section 7 of

the Plan and the satisfaction of any and all related tax withholding obligations pursuant to Section 10, the Corporation shall, as applicable, either remove the notations on any shares of Restricted Stock issued in book entry form which have vested or deliver to the Director a certificate or certificates evidencing the number of shares of Restricted Stock which have vested (or, in either case, such lesser number of shares as may result after giving effect to Section 10). The Director (or the beneficiary or personal representative of the Director in the event of the Director's death or disability, as the case may be) shall deliver to the Corporation any representations or other documents or assurances as the Corporation or its counsel may determine to be necessary or advisable in order to ensure compliance with all applicable laws, rules, and regulations with respect to the grant of the Award and the delivery of shares of Common Stock in respect thereof. The shares so delivered shall no longer be restricted shares hereunder.

(d) Stock Power; Power of Attorney. Concurrently with the execution and delivery of this Award Agreement, the Director shall deliver to the Corporation an executed stock power in the form attached hereto as Appendix A, in blank, with respect to such shares. The Corporation shall not deliver any share certificates in accordance with this Award Agreement unless and until the Corporation shall have received such stock power executed by the Director. The Director, 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 Director'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, the Program 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 Services**. Subject to Sections 5 and 7 of the Program, if the Director ceases to provide services to the Corporation or a Subsidiary (the date of such termination of service is referred to as the Director's "**Severance Date**"), the Director'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 pursuant to Section 3 hereof, the terms of the Program or Section 7 of the Plan upon the Severance Date (regardless of the reason for such termination of service, 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 as of the Severance Date, without any other action by the Director (or the Director's beneficiary or personal representative in the event of the Director'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(d) hereof and take any other action necessary or advisable to evidence such transfer. The Director (or the Director's beneficiary or personal representative in the event of the Director'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 Sections 6 and 7 of the Program, the

Administrator shall make adjustments in accordance with such sections in the number and kind of securities that may become vested under the Award. If any adjustment shall be made under Section 6 or Section 7 of the Program 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 have the right to automatically withhold and reacquire the appropriate number of whole shares of Restricted Stock, valued at their then fair market value (with the "fair market value" of such shares determined in accordance with the applicable provisions of the Plan), to satisfy any withholding obligations of the Corporation or its Subsidiaries with respect to such vesting at the minimum applicable withholding rates. In the event that the Corporation cannot satisfy such withholding obligations by withholding and reacquiring shares of Restricted Stock, or in the event that the Director 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 Director and/or to deduct from other compensation payable to the Director 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.

**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 Director at the Director's last address reflected on the Corporation's 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 Director 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; Program**. The Award and all rights of the Director under this Award Agreement are subject to the terms and conditions of the provisions of the Program and the Plan, incorporated herein by reference. The Director agrees to be bound by the terms of the Program, the Plan and this Award Agreement. In the event of a conflict or inconsistency between the terms and conditions of this Award Agreement and of the Program or the Plan, the terms and conditions

of the Program or the Plan, as applicable, shall govern. The Director acknowledges having read and understanding the Program, 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 Program or 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 Director 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 Program or the Plan after the date hereof.

**13.** **Entire Agreement**. This Award Agreement, the Program 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 Program may be amended pursuant to Section 8 of the Program. 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 Director's rights under this Award Agreement requires the consent of the Director 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 Director 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.** **Counterparts**. This Award Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

**15.** **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.

**16.** **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.

[Remainder of page intentionally left blank]

**IN WITNESS WHEREOF**, the Corporation has caused this Award Agreement to be executed on its behalf by a duly authorized officer and the Director has hereunto set his or her hand as of the date and year first above written.

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

By:

Print Name:

Its:

**DIRECTOR**

______________________________

*Signature*

______________________________

*Print Name*

**CONSENT OF SPOUSE**

In consideration of the execution of the foregoing Director Restricted Stock Award Agreement by Resources Connection, Inc., I, _____________________________________, the spouse of the Director therein named, do hereby join with my spouse in executing the foregoing Director Restricted Stock Award Agreement and do hereby agree to be bound by all of the terms and provisions thereof and of the Program and the Plan.

Dated: ________________, 20__

_____________________________________
*Signature of Spouse*

_____________________________________
*Print Name*

**APPENDIX A**

**STOCK POWER**

FOR VALUE RECEIVED and pursuant to that certain Director Restricted Stock Award Agreement between Resources Connection, Inc., a Delaware corporation (the "Corporation"), and the individual named below (the "Individual") dated as of ___________ , 20__, the Individual, hereby sells, assigns and transfers to the Corporation, an aggregate __________ shares of Common Stock of the Corporation, standing in the Individual's name on the books of the Corporation and represented by stock certificate number(s) to which this instrument is attached, and hereby irrevocably constitutes and appoints __________ as his or her attorney in fact and agent to transfer such shares on the books of the Corporation, with full power of substitution in the premises.

Dated __________, ______

_______________________________________

*Signature*

_______________________________________

*Print Name*

*(Instruction: Please do not fill in any blanks other than the signature line. The purpose of the assignment is to enable the Corporation to exercise its sale/purchase option set forth in the Director Restricted Stock Award Agreement without requiring additional signatures on the part of the Individual.)*

**RESOURCES CONNECTION, INC.**
**2020 PERFORMANCE INCENTIVE PLAN**
**RESTRICTED STOCK AWARD TERMS AND CONDITIONS**

**1. Restricted Stock Subject to 2020 Performance Incentive Plan**. 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 (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 Restricted Stock Award Terms and Conditions (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**.

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.

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.

**EXHIBIT 21.1**

**LIST OF SUBSIDIARIES**

| Name of Subsidiary | Jurisdiction of Organization |
|---|---|
| Resources Connection LLC | Delaware |
| Names under which Resources Connection LLC does business: | |
| Resources Global Professionals | |
| Resources Healthcare Solutions LLC | Delaware |
| RGP Property LLC | Delaware |
| Sitrick Group LLC | Delaware |
| Names under which Sitrick Group LLC does business: | |
| SITRICK AND COMPANY | |
| taskforce – Management on Demand, LLC | Delaware |
| Veracity Consulting Group, LLC | Virginia |
| Resources Connection Australia Pty Ltd. | Australia |
| Names under which Resources Connection Australia Pty Ltd. does business: | |
| Resources Global Professionals | |
| Resources Global Professionals, Inc. | Canada |
| Resources Global Enterprise Consulting (Beijing) Co., Ltd. | People's Republic of China |
| Resources Global Professionals (HK) Limited | Hong Kong, People's Republic of China |
| Resources Global Professionals Czech s.r.o. | Czech Republic |
| Resources Global Professionals (Denmark) AS | Denmark |
| Resources Global Professionals (France) SAS | France |
| Resources Global Professionals (Germany) GmbH | Germany |
| taskforce – Management on Demand GmbH | Germany |
| CRO-force GmbH | Germany |
| Skillforce – Executive Search GmbH | Germany |
| Resources Global Professionals (India) Private Ltd. | India |
| Resources Global Professionals (Ireland) Ltd. | Ireland |
| RGP Poland spolka z ograniczona odpowiedzialnoscia | Poland |
| Resources Global Professionals (Italy) SRL | Italy |
| Resources Global Professionals Japan K.K. | Japan |
| Resources Global Professionals (Korea) Ltd. | South Korea |
| Resources Connection Mexico S de RL de CV | Mexico |
| Resources Management Mexico S de RL de CV | Mexico |
| Resources Global Professionals (Europe) B.V. | Netherlands |
| Resources Management & Finance B.V. | Netherlands |
| Resources Pension & Risk B.V. | Netherlands |
| Resources Global Professionals (Singapore) Pte. Ltd. | Singapore |
| RGP Consulting Sdn. Bhd. | Malaysia |
| Resources Global Professionals Sweden AB | Sweden |
| Resources Global Professionals (Switzerland) GmbH | Switzerland |
| Resources Global Professionals Taiwan Co. Ltd. | Taiwan |
| Compliance.co.uk Ltd | United Kingdom |
| Resources Compliance (UK) Ltd | United Kingdom |
| Resources Connection (UK) Ltd. | United Kingdom (England and Wales) |
| Names under which Resources Connection (UK) Ltd. does business: | |
| Resources Global Professionals (UK) | |

**EXHIBIT 23.1**

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statements (Nos. 333-235910, 333-201042, 333-158499, 333-142145 and 333-127579) on the Form S-8 of Resources Connection, Inc. and its subsidiaries of our reports dated July 23, 2021, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting of Resources Connection, Inc. and its subsidiaries, appearing in this Annual Report on the Form 10-K of Resources Connection, Inc. and its subsidiaries for the year ended May 29, 2021.

/s/ RSM US LLP

Irvine, California
July 23, 2021

**EXHIBIT 31.1**

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

I, Kate W. Duchene, certify that:

1. I have reviewed this annual report on Form 10-K 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: July 23, 2021

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

**EXHIBIT 31.2**

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

I, Jennifer Ryu, certify that:

1. I have reviewed this annual report on Form 10-K 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: July 23, 2021

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

**EXHIBIT 32.1**

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

In connection with the Annual Report on Form 10-K for the fiscal year ended May 29, 2021 of Resources Connection, Inc. (the “Form 10-K”), I, Kate W. Duchene, 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-K fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

July 23, 2021

/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. 1350,**
**AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K for the fiscal year ended May 29, 2021 of Resources Connection, Inc. (the “Form 10-K”), I, Jennifer Ryu, 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-K fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

July 23, 2021

/s/ JENNIFER RYU

**Jennifer Ryu**
**Chief Financial Officer and Executive Vice President**

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.