

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

FORM 10-K

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

For the fiscal year ended December 31, 2023
or

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

Commission file number: 001-38704

HUDSON GLOBAL, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

59-3547281
(IRS Employer Identification No.)

53 Forest Avenue, Suite 102, Old Greenwich, CT 06870
(Address of principal executive offices) (Zip Code)
(475) 988-2068
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.001 par value	HSON	The NASDAQ Stock Market LLC
Preferred Share Purchase Rights		The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

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 Securities 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 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 definition 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. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting common stock held by non-affiliates of the registrant was approximately \$41,294,131 based on the closing price of the Common Stock on the NASDAQ Global Select Market on June 30, 2023.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding on 03/01/2024
Common Stock - \$0.001 par value	2,815,360

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the 2024 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A are incorporated by reference into Part III of this Annual Report on Form 10-K.

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PART I

ITEM 1. BUSINESS

General

Hudson Global, Inc. (the “Company” or “Hudson”, “we”, “us”, and “our”) is a leading total talent solutions provider operating under the brand name Hudson RPO. We deliver innovative, customized recruitment outsourcing and total talent solutions to organizations worldwide. Through our consultative approach, we develop tailored talent solutions designed to meet our clients’ strategic growth initiatives. We are a Delaware corporation, and have operated as an independent publicly held company since April 1, 2003, when Monster Worldwide, Inc., formerly TMP Worldwide, Inc., spun off its eResourcing division.

The Company delivers Recruitment Process Outsourcing (“RPO”) services, consisting of recruitment and contracting solutions tailored to the individual needs of primarily mid-to-large-cap multinational companies. The Company’s RPO delivery teams utilize recruitment process methodologies and project management expertise to meet clients’ ongoing business needs. The Company’s RPO services include complete recruitment outsourcing, project-based outsourcing, contingent workforce solutions, and recruitment consulting for clients’ permanent staff hires. Hudson’s RPO services leverage the Company’s consultants, supported by the Company’s specialists, in the delivery of its proprietary methods to identify, select, and engage the best-fit talent for critical client roles. In addition, the Company provides RPO clients with a range of outsourced professional contract staffing services and managed service provider services offered sometimes on a standalone basis and sometimes as part of a blended total talent solution. These services draw upon a combination of specialized recruiting and project management competencies to deliver a wide range of solutions. Hudson-employed professionals - either individually or as a team - are placed with client organizations for a defined period of time based on specific business needs of the client.

In February 2024, Hudson RPO announced an expansion of its service offerings to include executive search in North America, focusing on Life Sciences and Human Resources. This expansion, coupled with the Company’s existing RPO strategy, provides a comprehensive talent acquisition approach, enabling clients to develop streamlined and centralized hiring strategies within a flexible and scalable total talent solution. This service offering better positions the Company as a strategic partner helping clients to implement successful business strategies.

On November 15, 2023, Hudson announced the appointment of Jacob “Jake” Zabkowicz as Global Chief Executive Officer for Hudson RPO. Mr. Zabkowicz leads the vision, strategy, and execution of Hudson RPO’s growth plan, while Jeff Eberwein, Chief Executive Officer of Hudson Global, Inc., continues to focus on capital allocation, acquisitions, corporate strategy, and maximizing shareholder value.

On October 31, 2023, Hudson completed its acquisition of Hudson Global Resources (Singapore) Pte. Ltd. (“Hudson Singapore”), a provider of recruitment services primarily to clients operating in Singapore. Hudson Singapore has a 30-year track record of senior placements and project recruitment work across Southeast Asia including Singapore, Malaysia, the Philippines, Vietnam, Thailand, and Indonesia.

On August 19, 2022, Hudson completed the acquisition of Hunt & Badge Consulting Private Limited (“HnB”), an India-headquartered provider of recruitment services to customers operating in India. HnB partners with companies of all sizes, including well-known multinationals, across a variety of industries to help meet their talent procurement needs.

On October 29, 2021, Hudson completed its acquisition of Karani, LLC (“Karani”), a Chicago-headquartered recruiting services provider that primarily serves U.S.-based customers from its operations in India and the Philippines. Karani partners with recruitment and staffing firms to assist with recruiting, sourcing, screening, onboarding, and other talent-related services across a variety of industries. This acquisition has enhanced Hudson RPO’s global delivery capability by adding a substantial presence in India and the Philippines, fostering business in new markets, and further developing Hudson RPO’s technology recruitment capabilities.

Business Segments

The Company operates directly in fourteen countries with three reportable geographic business segments: Americas, Asia Pacific, and Europe. For the year ended December 31, 2023, the amounts and percentages of the Company's total revenue from the three reportable segments were as follows:

\$ in thousands	Revenue	
	Amount	Percentage
Americas	\$ 31,254	19.4 %
Asia Pacific	103,857	64.4 %
Europe	26,227	16.2 %
Total	<u>\$ 161,338</u>	<u>100.0 %</u>

Service Offerings

The Company's core service offering is RPO, consisting of RPO and contracting services:

RPO: The Company provides complete recruitment outsourcing, project-based outsourcing, and recruitment consulting for clients' permanent staff hires. Hudson's RPO services leverage the Company's consultants, supported by the Company's specialists, in the delivery of its proprietary methods to identify, select, and engage the best-fit talent for critical client roles.

Contracting: The Company provides clients with a range of outsourced professional contract staffing services and managed service provider services offered sometimes on a standalone basis and sometimes as part of a blended total talent solution. These services draw upon a combination of specialized recruiting and project management competencies to deliver a wide range of solutions. Hudson-employed professionals - either individually or as a team - are placed with client organizations for a defined period of time based on specific business needs of the client.

For the year ended December 31, 2023, the amounts and percentages of the Company's total revenue from the core service offerings were as follows:

\$ in thousands	Revenue	
	Amount	Percentage
RPO	\$ 78,468	48.6 %
Contracting	82,870	51.4 %
Total	<u>\$ 161,338</u>	<u>100.0 %</u>

Clients

The Company's clientele includes mid-to-large-cap multinational companies and government agencies. For the years ended December 31, 2023 and 2022, over 85% and 75% of the Company's revenue was generated by its top 25 clients, respectively. Two clients accounted for an aggregate of 50% of revenue in both 2023 and 2022. One client accounted for 20% or greater of accounts receivable as of December 31, 2023 and 2022. Our business is dependent upon the continuation of these business relationships as well as new client development.

Market Competition

The markets for the Company's services and products are highly competitive. There are few barriers to entry, so new entrants occur frequently, resulting in considerable market fragmentation. Companies in this industry compete based on a number of parameters including degree and quality of candidate and position knowledge, industry expertise, global presence, scalability, service quality, and efficiency in completing assignments. Typically, companies with greater strength or scale in these areas generate higher margins.

Growth Strategy

We focus on organically growing our RPO business, reducing overhead expenses as a percentage of revenue, and pursuing acquisition opportunities. We target driving organic growth in RPO by investing in people and technology, as well as sales and marketing, to leverage our existing strong reputation in the market. We are investigating acquisition opportunities to expand capabilities and capacity and utilize our net operating losses. We continue to explore all strategic alternatives to maximize value for stockholders, including without limitation, improving the market position and profitability of our services in the marketplace, and enhancing our valuation. We may pursue our goals through organic growth, strategic initiatives, or other alternatives. We will also continue to monitor capital markets for opportunities to repurchase shares, and consider other actions designed to enhance stockholder value, as well as review information regarding potential acquisitions and provide information to third parties, from time to time.

Human Capital Resources

The Company's success significantly depends upon its workforce. The Company employs approximately 1,050 people worldwide, including approximately 120 employees in the United States ("U.S.") and 930 employees internationally. Hudson is dedicated to acquiring, investing in, and retaining top talent. Hudson RPO's global and regional employees have vast training and expertise across human capital solutions. Specifically, of the Company's employees, approximately 960 are client-facing consultants who sell and deliver the Company's RPO services to its existing client base. The Company's consultant population has deep expertise in specific functional areas and industry sectors, and provides broad-based recruitment and solution services based on the needs of each client on a regional and global basis.

Our well-being program, Thrive, provides the framework to support our employees' physical, mental and financial health and well-being in addition to providing our line managers with the guidance needed to support their teams. Our regional well-being champions rolled out a variety of initiatives aimed at raising awareness and encouraging employees to look after their health and well-being. Our employee assistance programs offers additional support and information to our staff and a range of additional training modules were rolled out focusing on topics such as mental health awareness, health and wellness in the workplace, and keeping remote teams connected.

All our employees play an important part in contributing to and shaping our culture. We have taken actions to enhance our employees' experience working for the Company through the implementation of a continuous performance management framework in order to drive employees' performance, development, and engagement.

The Company also recognizes the importance of environmental, social and governance (ESG) matters, with a specific focus on human capital management, as integral to creating a sustainable foundation for our long-term business strategy. Our goals for diversity, equity, and inclusion tie into our people-focused approach to ESG initiatives. Another key initiative in our ESG framework has been to provide our employees with access to a volunteering and environmental impact platform. This platform allows our employees to volunteer individually or in groups both locally and remotely, as well as to undertake climate change pledges. The platform also allows us to measure the Company's impact through volunteer and CO2e reduction tracking and helps us to educate our employees by giving them access to talks from the leading innovators in ESG.

In addition, the Company values a diverse workplace that honors inclusion and equity. We see differences as a benefit; a diverse mix of minds enables us to create a workplace that fosters creativity, encourages adaptability, and drives innovation. We actively look for ways to connect our employees and encourage them to share their perspectives and experiences with one another. We have formed a Global Diversity, Equity, and Inclusion ("DEI") Program, with employee-led committees set up in each region to promote DEI initiatives within the Company, including a web series featuring members of our Americas leadership team discussing our DEI journey, experiences with race, gender, and cultural differences, and DEI best practices.

Employees have access to a range of training courses, including courses on anti-harassment, discrimination, and unconscious bias. eLearning is an integral part of the continuous development journey that we offer to all our employees. Through our long-term partnership with one of the leading eLearning providers, our employees have access to an extensive range of hiring and talent management content delivered by industry experts and renowned thought leaders. Our eLearning courses include over 200 hours of learning modules, including over 20 modules specifically on diversity. Tailored learning programs, in which diversity forms a cornerstone, have been created for all client-facing roles. Our employees are encouraged to participate in these learning modules and to complete a minimum of 30 minutes of learning each week.

Segment and Geographic Data

Financial information concerning the Company's reportable segments and geographic areas of operation is included in Note 16 of the Notes to Consolidated Financial Statements contained in Item 8 of this Annual Report on Form 10-K (this "Form 10-K").

Available Information

We maintain a website with the address *www.hudsonrpo.com*. We are not including the information contained on our website as part of, or incorporating it by reference into, this Form 10-K. Through our website, we make available free of charge our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and other reports and amendments to these reports that we file with or furnish to the Securities and Exchange Commission ("SEC") in a timely manner after we provide them.

ITEM 1A. RISK FACTORS

The following risk factors and other information included in this Form 10-K should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. If any of the following risks occur, our business, financial condition, results of operations, and cash flows could be materially adversely affected.

Our operations will be affected by global economic fluctuations.

Clients' demand for our services may fluctuate widely with changes in economic conditions in the markets in which we operate. Those conditions include slower employment growth or reductions in employment, which directly impact our service offerings. In addition, certain geopolitical events such as the war in Ukraine, conflicts in the Middle East and the U.S./China trade tensions, have caused significant economic, market, political, and regulatory uncertainty in some of the Company's markets. We have limited flexibility to combat these uncertainties and reduce expenses during economic downturns due to some overhead costs that are fixed in the short-term. As a result, we may face increased pricing pressures during these periods.

Our clients' demands for RPO and contracting services largely depend on the market conditions and the strength of the labor markets in the countries where we operate. In the second half of 2023, the market conditions were more challenging than anticipated due to the higher inflation, higher interest rates, and decreased demand for labor in certain markets. In addition, in connection with the challenging business environment, some of our customers have reduced demand, and certain other customers have eliminated our services on a temporary or permanent basis. We anticipate that the market conditions will continue to be challenging into 2024.

The pricing pressures and global economic fluctuations are not limited to the periods of geopolitical events. Higher than expected inflation in most markets and rising interest rates, have led to significant market disruption, including further wage inflation, increased operating costs, staffing challenges, reduced consumer confidence, and limited capital market accessibility that impact our business. The inflationary environment and related interest rate impacts continue to have a significant adverse impact on the economy and market conditions. These factors may impact labor markets and the demand for workforce, available borrowing capacity, cash flow protection, and more. As a result, our business, financial condition, and results of operations may be negatively affected.

We may not be able to successfully execute our strategic initiatives or meet our long-term financial goals.

We have been engaged in strategic initiatives to maximize long-term stockholder value, to improve our cost structure and efficiency, and to increase our selling efforts and the development of new business, as well as to consider potential additional businesses that we believe could be beneficial and create value for our stockholders. We cannot provide any assurance that we will be able to successfully execute these or other strategic initiatives or that we will be able to execute these initiatives on our expected timetable. We may not be successful in refocusing our core business and obtaining operational efficiencies or replacing revenues lost as a result of these strategic initiatives.

We may face risks related to potential or current acquisitions or dispositions of businesses.

As part of our growth strategy, we may pursue acquisition opportunities that we believe can complement or expand our current business activities or sell other businesses. Acquisition and disposition activity exposes us to a number of risks. There could be unforeseen liabilities or asset impairments that arise in connection with the businesses that we may sell or the businesses that we may acquire in the future. With respect to businesses that we may sell, we would also no longer be able to rely on any cash flow they generated, and there is no assurance that when or if we reinvested any proceeds from a sale it would be in an acquisition that generates the anticipated benefits. We also may not realize all of the anticipated benefits of acquisitions, or potential future strategic transactions, which could adversely affect our business, financial condition and results of operations. Our ability to achieve certain benefits from acquisitions of businesses will depend in large part upon our ability to successfully integrate such businesses in an efficient and effective manner. We may not be able to integrate any such businesses smoothly or successfully, and the process may take longer than expected. We can provide no assurances that we will enter into any agreements in connection with potential acquisitions or dispositions or as to the timing of any potential strategic transactions. The strategic transaction process may disrupt our business including diverting management's attention from ongoing business concerns.

Our profitability and growth depend on the success of our global RPO business, which is subject to a variety of business risks and uncertainties.

We are focused on our global RPO business. Any evaluation of our RPO business and our prospects must be considered in light of the risks and uncertainties stated above, as well as the following:

- the ability to maintain our relationships with our existing clients;
- the ability to attract new clients; and
- the ability to maintain or generate the amount of cash required to operate the RPO business.

If we are unable to address these risks, our business, results of operations, and prospects could suffer.

Our revenues fluctuate from quarter to quarter; no single quarter is predictive of future periods' results.

Our revenues fluctuate quarter to quarter primarily due to the vacation periods during the first quarter in the Asia Pacific region and the third quarter in the Americas and Europe regions. Demand for our services is typically lower during traditional vacation periods when clients and candidates are on vacation.

Our business is highly dependent upon our largest customers, and the loss of any of those customers, or any material reduction in our business with those customers, could materially and adversely affect our financial condition and results of operations.

For the years ended December 31, 2023 and 2022, over 85% and 75% of the Company's revenue was generated by its top 25 clients, respectively. Two clients accounted for an aggregate of 50% of revenue in both 2023 and 2022. One client accounted for 20% or greater of accounts receivable as of December 31, 2023 and 2022. Our business is dependent upon the continuation of these business relationships as well as new client development. The loss of these customers or any material reduction in the amount of business we conduct with these customers, or any material adverse change in the financial condition of such customers, could materially and adversely affect our financial condition and results of operations. If we are unable to replace such revenue from existing or new customers, it could have a material adverse effect on our business, financial condition, and results of operations, and the market price of our common stock could decline significantly.

Our revenue can vary because our clients often run bid processes for RPO functions and can terminate their relationship with us at any time with limited or no penalty.

Our RPO business is significantly affected by our clients' hiring needs and their views of their future prospects. Clients may, on very short notice, terminate, reduce, or postpone their recruiting assignments with us and, therefore, affect demand for our services. This could have a material adverse effect on our business, financial condition, and results of operations.

In addition, many of our larger clients run regular bid processes for their RPO requirements, requiring us to compete for new opportunities with existing clients. Even if our client relationships remain strong, we are repeatedly subject to open bid processes for new business or prior to the renewal of existing business. If we fail to meet the criteria set by our clients for new opportunities or for the renewal of existing services that we provide, or if our competitors are able to offer comparable service levels at reduced cost, our business may suffer.

Our markets are highly competitive.

The markets for our services are highly competitive. Our markets are characterized by pressures to provide high levels of service, incorporate new capabilities and technologies, accelerate job completion schedules, and reduce prices. Furthermore, we face competition from a number of sources. These sources include other executive search firms and professional search, staffing, and consulting firms. Several of our competitors have greater financial and marketing resources than we do. Due to competition, we may experience reduced margins on our services, loss of market share and loss of customers. If we are not able to compete effectively with current or future competitors as a result of these and other factors, our business, financial condition, and results of operations could be materially adversely affected.

We have no significant proprietary technology that would preclude or inhibit competitors from entering the recruitment outsourcing market. We cannot provide assurance that existing or future competitors will not develop or offer

services that provide significant performance, price, creative, or other advantages over our services. In addition, we believe that, with continuing development of information technology, the industries in which we compete may attract new competitors. Specifically, the increased use of web-based and mobile technology may attract technology-oriented companies to the recruitment industry. We cannot provide assurance that we will be able to continue to compete effectively against existing or future competitors. Any of these events could have a material adverse effect on our business, financial condition, and results of operations.

We have had periods of negative cash flows and operating losses that may recur in the future.

We have experienced negative cash flows and reported operating and net losses in previous years. We cannot provide any assurance that we will have positive cash flows or operating profitability in the future, particularly to the extent the global economy slows down or enters recession, or inflation increases. If our revenue declines or if operating expenses exceed our expectations, we may not be profitable and may not generate positive operating cash flows.

Our credit facilities may restrict our operating flexibility in the future.

The Company's Australian subsidiary ("Australian Borrower") entered into an invoice finance credit facility agreement (the "NAB Facility Agreement") with National Australia Bank Limited ("NAB"). The ability to borrow under the NAB Facility Agreement is limited to a percentage of eligible trade receivables up to a maximum of 4 million Australian dollars. Borrowings under this facility are secured by substantially all of the assets of the Australian Borrower. As of December 31, 2023, there were no amounts outstanding under the NAB Facility Agreement.

On May 5, 2022, Hudson Global Resources (Singapore) Pte. Ltd. ("Singapore Borrower"), which the Company acquired on October 31, 2023, and the Hong Kong and Shanghai Banking Corporation Limited ("HSBC"), entered into an invoice finance credit facility agreement (the "HSBC Facility Agreement"). The HSBC Facility Agreement allows the Singapore Borrower to borrow funds up to a maximum of 1 million Singapore dollars, based on a percentage of eligible trade receivables. As of December 31, 2023, there were no amounts outstanding under the HSBC Facility Agreement.

We may enter into additional credit facilities in the future that contain various restrictions and covenants that restrict our operating flexibility including:

- borrowings limited to eligible receivables;
- lenders' ability to impose restrictions, such as payroll or other reserves;
- limitations on payments of dividends by our subsidiaries to us, which may restrict our ability to pay dividends to our stockholders;
- restrictions on our ability to make additional borrowings, or to consolidate, merge, or otherwise fundamentally change our ownership;
- limitations on capital expenditures, investments, dispositions of assets, guarantees of indebtedness, permitted acquisitions, and repurchases of stock; and
- limitations on certain intercompany payments of expenses, interest, and dividends.

These restrictions and covenants could have adverse consequences for investors, including restrictions on our ability to incur additional debt financing for future working capital or capital expenditures, a lesser ability for us to take advantage of significant business opportunities, such as acquisition opportunities, the potential need for us to undertake equity transactions, which may dilute the ownership of existing investors, and our inability to react to market conditions by selling lesser-performing assets. In addition, our payment of principal and interest on any future indebtedness would reduce our cash available for operations.

In addition, a default, amendment, or waiver to our NAB Facility Agreement or our Singapore Facility Agreement or a future agreement to avoid a default may result in higher rates of interest and could impact our ability to obtain additional borrowings. Finally, debt incurred under the NAB Facility Agreement bears interest at the variable receivable finance indicator rate, plus a margin of 1.60% per annum. Debt incurred under the Singapore Facility Agreement bears interest at the bank's internal cost of capital plus margin of 3.5% per annum. Any increase in interest expense could reduce the funds available for operations.

Our investment strategy subjects us to risks.

From time to time, we make investments as part of our growth plans. Investments may not perform as expected because they are dependent on a variety of factors, including our ability to effectively integrate new personnel and operations, our ability to sell new services, and our ability to retain existing or gain new clients.

We face risks related to our international operations.

We conduct direct operations in fourteen countries and face both translation and transaction risks related to foreign currency exchange. For the year ended December 31, 2023, approximately 82% of our revenue was earned outside of the U.S. Our financial results could be materially affected by a number of factors particular to international operations. These include, but are not limited to, difficulties in staffing and managing international operations, operational issues such as longer customer payment cycles and greater difficulties in collecting accounts receivable, changes in tax laws or other regulatory requirements, issues relating to uncertainties of laws and enforcement relating to the regulation and protection of intellectual property, and currency fluctuation. If we are forced to discontinue any of our international operations, we could incur material costs to close down such operations.

Regarding the foreign currency risk inherent in international operations, the results of our local operations are reported in the applicable foreign currencies and then translated into U.S. dollars at the applicable foreign currency exchange rates for inclusion in our financial statements. In addition, we generally pay operating expenses in the corresponding local currency. Because of devaluations and fluctuations in currency exchange rates or the imposition of limitations on conversion of foreign currencies into U.S. dollars, we are subject to currency translation exposure on the revenue and income of our operations in addition to economic exposure. Our consolidated U.S. dollar cash balance could be lower because a significant amount of cash is generated outside of the U.S. This risk could have a material adverse effect on our business, financial condition, and results of operations.

Additionally, our international operations may also be adversely affected by political events, domestic or international terrorist events, hostilities or complications due to natural, nuclear, war or other disasters, including the ongoing Russian invasion of Ukraine and the conflicts in the Middle East. These or any further political or governmental developments or health concerns in the U.S. and foreign countries in which we operate could result in social, economic, and labor instability, as well as affect demand for our services. These uncertainties could have a material adverse effect on the continuity of our business and our results of operations and financial condition.

We depend on our key management personnel.

Our success depends to a significant extent on our senior management team. The loss of the services of one or more key senior management team members could have a material adverse effect on our business, financial condition, and results of operations. In addition, if one or more key employees join a competitor or form a competing company, the resulting loss of existing or potential clients could have a material adverse effect on our business, financial condition, and results of operations. The Company also could be adversely affected if key personnel or a significant number of employees were to become unavailable due to health concerns. Although the Company has business continuity plans and other safeguards in place, there is no assurance that such plans and safeguards will be effective.

Failure to attract and retain qualified personnel, management and advisors could negatively impact our business, financial condition, and results of operations.

Our ability to implement our business objectives and serve our customers depends upon our ability to attract and retain highly skilled professionals, management and advisors who possess the skills and experience necessary to operate our business, as well as personnel who meet the staffing requirements of our clients. In addition, our ability to execute our strategy requires that we retain and recruit personnel, management and advisors with experience in our RPO business.

We must continually evaluate and upgrade our base of available qualified personnel to keep pace with changing client needs and emerging technologies. Competition for qualified professionals with proven skills is intense amidst the widespread U.S. labor shortage, and the demand for these individuals is expected to remain strong for the foreseeable future. There can be no assurance that qualified personnel will continue to be available to us in sufficient numbers with the current market conditions. As such, we may be required to adjust our budget to account for pressures to increase wages in order to compete for skilled personnel. If we are unable to attract the necessary qualified personnel for our clients and our business, it may have a negative impact on our business, financial condition, and results of operations.

We face risks in collecting our accounts receivable.

In virtually all of our businesses, we invoice customers after providing services, which creates accounts receivable. Delays or defaults in payments owed to us could have a significant adverse impact on our business, financial condition, and results of operations. Factors that could cause a delay or default include, but are not limited to, global economic conditions, business failures, and turmoil in the financial and credit markets.

In certain situations, we provide our services to clients under a contractual relationship with a third-party vendor manager, rather than directly to the client. In those circumstances, the third-party vendor manager is typically responsible for aggregating billing information, collecting receivables from the client, and paying staffing suppliers once funds are received from the client. In the event that the client has paid the vendor manager for our services and we are unable to collect from the vendor manager, we may be exposed to financial losses.

If we are unable to maintain costs at an acceptable level, our operations could be adversely impacted.

Our ability to reduce costs in line with our revenues is important for the improvement of our profitability. Efforts to improve our efficiency could be affected by several factors including turnover, client demands, market conditions, continued increases in inflation, changes in laws, and availability of talent. If we fail to realize the expected benefits of these cost reduction initiatives, this could have an adverse effect on our financial condition and results of operations.

We rely on our information systems, and if we lose our information processing capabilities or fail to further develop our technology, our business could be adversely affected.

Our success depends in large part upon our ability to store, retrieve, process, and manage substantial amounts of information, including our client and candidate databases. To achieve our strategic objectives and to remain competitive, we must continue to develop and enhance our information systems. This may require the acquisition of equipment and software and the development, either internally or through independent consultants, of new proprietary software. If we are unable to design, develop, implement, and utilize, in a cost-effective manner, information systems that provide the capabilities necessary for us to compete effectively, or if we experience any interruption or loss of our information processing capabilities, for any reason, this could adversely affect our business, financial condition, and results of operations.

Because we operate in an international environment, we are subject to greater cyber-security risks and incidents due to our broader and more distributed network footprint. Some of these threats may include attacks from foreign governments. While we continue to employ resources to monitor our systems and protect our infrastructure, any unauthorized access or use of information, virus or similar breach or disruption to our systems could result in disrupted operations, loss of information, damage to our reputation and customer relationships, and other significant liabilities, any of which could materially harm our business.

We also use mobile devices, social networking, and other online activities to connect with our candidates, clients, and business partners. While we have implemented measures to prevent security breaches and cyber incidents, our measures may not be effective, and any security breaches or cyber incidents could adversely affect our business, financial condition, and results of operations.

Our business depends on uninterrupted service to clients.

Our operations depend on our ability to protect our facilities, computer and telecommunication equipment, and software systems against damage or interruption from fire, power loss, cyber-attacks, sabotage, telecommunications interruption, weather conditions, natural disasters, and other similar events. Additionally, severe weather can cause our employees or contractors to miss work and interrupt delivery of our service, potentially resulting in a loss of revenue. While interruptions of these types that have occurred in the past have not caused material disruption, it is not possible to predict the type, severity, or frequency of interruptions in the future or their impact on our business.

We may be exposed to employment-related claims, legal liability, and costs from clients, employees, and regulatory authorities that could adversely affect our business, financial condition, or results of operations, and our insurance coverage may not cover all of our potential liability.

We are in the business of employing people and placing them in the workplaces of other businesses. Risks relating to these activities include:

- claims of misconduct or negligence on the part of our employees;
- claims by our employees of discrimination or harassment directed at them, including claims relating to actions of our clients;
- claims related to the employment of illegal aliens or unlicensed personnel;
- claims for payment of workers' compensation and other similar claims;
- claims for violations of wage and hour requirements;
- claims for entitlement to employee benefits;
- claims of errors and omissions of our temporary employees;
- claims by taxing authorities related to our independent contractors and the risk that such contractors could be considered employees for tax purposes;
- claims by candidates that we place for wrongful termination or denial of employment;
- claims related to our non-compliance with data protection laws, which require the consent of a candidate to transfer resumes and other data;
- claims related to the recruitment process; and
- claims by our clients relating to our employees' misuse of client proprietary information, misappropriation of funds, other misconduct, criminal activity or similar claims.

We may incur fines and other losses or negative publicity with respect to these problems. In addition, some or all of these claims may give rise to litigation, which could be time-consuming to our management team, costly, and could have a negative effect on our business. In some cases, we have agreed to indemnify our clients against some or all of these types of liabilities. We cannot assure that we will not experience these problems in the future, that our insurance will cover all claims, or that our insurance coverage will continue to be available at economically feasible rates.

Our ability to utilize net operating loss carryforwards may be limited.

The Company has U.S. net operating loss carryforwards (“NOLs”). The losses generated prior to 2018 expire through 2037 and the losses generated in 2018 and later years do not expire. Section 382 of the U.S. Internal Revenue Code imposes an annual limitation on a corporation’s ability to utilize NOLs if it experiences an “ownership change.” In general terms, an ownership change may result from transactions increasing the ownership of certain stockholders in the stock of a corporation by greater than 50% over a three-year period. The Company has experienced ownership changes in the past. Ownership changes in our stock, some of which are outside of our control, could result in a limitation in our ability to use our NOLs to offset future taxable income, could cause U.S. federal income taxes to be paid earlier than otherwise would be paid if such limitation were not in effect, and could cause such NOLs to expire unused, reducing or eliminating the benefit of such NOLs.

There may be volatility in our stock price.

The market price for our common stock has fluctuated in the past and could fluctuate substantially in the future. For example, during 2023, the market price of our common stock reported on the NASDAQ Global Select Market ranged from a high of \$27.10 to a low of \$14.66. Factors such as general macroeconomic conditions adverse to workforce expansion, the announcement of variations in our quarterly financial results or changes in our expected financial results could cause the market price of our common stock to fluctuate significantly. Further, due to the volatility of the stock market, our relatively low daily trading volume or actions by significant stockholders, the price of our common stock could fluctuate for reasons unrelated to our operating performance.

Our future earnings could be reduced as a result of the imposition of licensing or tax requirements or new regulations that prohibit, or restrict certain types of employment services we offer in the U.S. and foreign countries.

Our future earnings could be reduced if additional regulatory requirements are imposed in the countries in which we operate. The countries in which we operate may:

- create additional regulations that prohibit or restrict the types of employment services that we currently provide;
- impose new or additional benefit requirements;
- require us to obtain additional licensing to provide recruitment services;
- impose new or additional restrictions on movements between countries;
- increase taxes, such as sales or value-added taxes, payable by the providers of recruitment services;
- increase the number of various tax and compliance audits relating to a variety of regulations, including wage and hour laws, unemployment taxes, workers’ compensation, immigration, and income, value-added, and sales taxes; or
- revise transfer pricing laws or successfully challenge our transfer prices, which may result in higher foreign taxes or tax liabilities or double taxation of our foreign operations.

Any future regulations that make it more difficult or expensive for us to continue to provide our services may have a material adverse effect on our business, financial condition and results of operations.

Provisions in our organizational documents and Delaware law will make it more difficult for someone to acquire control of us.

Our certificate of incorporation and by-laws and the Delaware General Corporation Law contain several provisions that make it more difficult to acquire control of us in a transaction not approved by our Board of Directors, including transactions in which stockholders might otherwise receive a premium for their shares over then current prices, and that may limit the ability of stockholders to approve transactions that they may deem to be in their best interests. Our certificate of incorporation and by-laws currently include provisions:

- authorizing our Board of Directors to issue shares of our preferred stock in one or more series without further authorization of our stockholders;

- requiring that stockholders provide advance notice of any stockholder nomination of directors or any new business to be considered at any meeting of stockholders; and
- providing that vacancies on our Board of Directors will be filled by the remaining directors then in office.

In addition, Section 203 of the Delaware General Corporation Law generally provides that a corporation may not engage in any business combination with any interested stockholder during the three-year period following the time that the stockholder becomes an interested stockholder, unless a majority of the directors then in office approve either the business combination or the transaction that results in the stockholder becoming an interested stockholder or specified stockholder approval requirements are met.

Issues relating to the use of new and evolving technologies, such as Artificial Intelligence (“AI”) and Machine Learning (“ML”) present challenges for our business and may result in liability.

A quickly evolving social, legal and regulatory environment may cause us to incur increased operational and compliance costs, including increased research and development costs, or divert resources from other development efforts, to address potential issues related to usage of AI and ML. As with many cutting-edge innovations, AI and ML present new risks and challenges, and existing laws and regulations may apply to us in new ways, the nature and extent of which are difficult to predict. We incorporate AI and ML into our offerings for use cases that could potentially impact civil, privacy, or employment benefit rights. Failure to adequately address issues that may arise with such use cases could negatively affect the adoption of our solutions and subject us to reputational harm, regulatory action, or legal liability, which may harm our financial condition and operating results. Potential government regulation related to AI, including relating to ethics and social responsibility, may also increase the burden and cost of compliance and research and development. Employees, customers, or customers’ employees who are dissatisfied with our public statements, policies, practices, or solutions related to the development and use of AI and ML may express opinions that could introduce reputational or business harm, or legal liability.

In addition, our RPO business may be disrupted by new emergent tools that threaten our established business practices. If our clients invest heavily in obtaining or designing and implementing their own systems for recruitment using AI and ML, they may have reduced demand for our services. It is too early to determine the extent to which AI and ML may impact our business, but it is possible that these tools may negatively impact our business.

Data security and integrity are critically important to the businesses we own and manage, and cybersecurity incidents, including cyberattacks, breaches of security, unauthorized access to or disclosure of confidential information, business disruption, or the perception that confidential information is not secure, could result in a material loss of business, regulatory enforcement, substantial legal liability and/or significant harm to our reputation, which could have a material adverse effect on our business, financial condition and results of operations.

Improper access to, misappropriation, destruction or disclosure of confidential, personal or proprietary data could result in significant harm to our reputation or the reputation of any of the businesses we own.

We collect, store and transmit a large amount of confidential company information on hundreds of millions of businesses, including financial information and personal information, as well as certain consumer information and credit information. We operate in an environment of significant risk of cybersecurity incidents resulting from unintentional events or deliberate attacks by third parties or insiders, which may involve exploiting highly obscure security vulnerabilities or sophisticated attack methods.

One of our significant responsibilities is to maintain the security and privacy of our employees’ and clients’ confidential and proprietary information and the confidential information about clients’ employees’ compensation, health and benefits information and other personally identifiable information.

Although our businesses have not incurred material losses or liabilities to date as a result of any breaches, unauthorized disclosure, loss or corruption of their data or inability of their clients to access their systems, such events could result in intellectual property or other confidential information being lost or stolen, including client, employee or business data, disrupt their operations, subject them to substantial regulatory and legal proceedings and potential liability and fines, result in a material loss of business and/or significantly harm their reputation. If they are unable to efficiently manage the vulnerability of their systems and effectively maintain and upgrade their system safeguards, they may incur unexpected costs and certain of their systems may become more vulnerable to unauthorized access.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy.

The Company has developed an information security program to address material risks from cybersecurity threats. The program includes policies and procedures that identify how security measures and controls are developed, implemented, and maintained. A risk assessment, based on a method and guidance from a recognized national standards organization, is conducted annually. The risk assessment along with risk-based analysis and judgment are used to select security controls to address risks. During this process, the following factors, among others, are considered: likelihood and severity of risk, impact on the Company and others if a risk materializes, feasibility and cost of controls, and impact of controls on operations and others. Specific controls that are used to some extent include endpoint threat detection and response (EDR), identity and access management (IAM), privileged access management (PAM), logging and monitoring involving the use of security information and event management (SIEM), multi-factor authentication (MFA), firewalls and intrusion detection and prevention, and vulnerability and patch management.

Third-party security firms are used in different capacities to provide or operate some of these controls and technology systems, including cloud-based platforms and services. For example, third parties are used to conduct assessments, such as vulnerability scans and penetration testing. The Company uses a variety of processes to address cybersecurity threats related to the use of third-party technology and services, including pre-acquisition diligence, imposition of contractual obligations, and performance monitoring.

The Company has a written incident response plan and conducts tabletop exercises to enhance incident response preparedness. Business continuity and disaster recovery plans are used to prepare for the potential for a disruption in technology we rely on. The Company is a member of an industry cybersecurity intelligence and risk sharing organization. Employees undergo security awareness training when hired and annually.

The Company has a Governance, Risk, and Compliance (GRC) function to address enterprise risks, and cybersecurity is a risk category addressed by that function.

The Company (or third parties it relies on) may not be able to fully, continuously, and effectively implement security controls as intended. As described above, we utilize a risk-based approach and judgment to determine the security controls to implement and it is possible we may not implement appropriate controls if we do not recognize or underestimate a particular risk. In addition, security controls, no matter how well designed or implemented, may only mitigate and not fully eliminate risks. And events, when detected by security tools or third parties, may not always be immediately understood or acted upon.

Additionally, cybersecurity risks and threats that could have a material impact on the Company are discussed further in the Item 1A Risk Factors. Those sections of Item 1A should be read in conjunction with this Item 1C.

Governance.

The Global Head of IT is the management position with primary responsibility for the development, operation, and maintenance of our information security program. Responsibilities of this role include management of third-party vendors, ensuring data interactions with outside parties, adhering to IT security best practices, and ensuring that all devices within the Company's IT infrastructure are appropriately secured and managed. It also encompasses ensuring that all employees are educated in IT best practices around incident management and security, ensuring the security of the internal and external IT systems, as well communicating to senior management and planning for future IT strategy and IT security.

The Company has an established Information Security Committee to manage the information security risk assessment framework. This framework includes a defined methodology and tolerable level of risk documented within the Information Security Management System ("ISMS") and relevant controls addressing business risks. The committee is informed of all security incidents and ensures appropriate remediation activities are implemented. The Company's ISMS are audited by both internal and external parties on a regular basis. Results of audits and material security incidents are presented to the Board of Directors on a quarterly basis.

ITEM 2. PROPERTIES

All of the Company's operating offices are located in leased premises. Our principal executive office and headquarters are located at 53 Forest Avenue, Suite 102, Old Greenwich, CT 06870, where we occupy space with approximately 2,000 aggregate square feet.

The Company maintains offices in the Americas, Asia Pacific, and Europe. In the Americas, the Company maintains 2 leased locations with approximately 7,300 aggregate square feet; in Asia Pacific, the Company maintains 7 leased locations with approximately 31,800 aggregate square feet; and in Europe, the Company maintains 1 leased location with approximately 1,200 aggregate square feet. All leased space is considered to be adequate for the operation of our business, and no difficulties are foreseen in meeting any future space requirements.

ITEM 3. LEGAL PROCEEDINGS

The Company is involved in various legal proceedings that are incidental to the conduct of its 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 FOR COMMON STOCK

The Company's common stock was listed for trading on the NASDAQ Global Select Market during 2023 under the symbol "HSON." As of January 31, 2024, there were approximately 149 holders of record of the Company's common stock. The actual number of stockholders is greater than this number of holders of record and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

The following is a list by fiscal quarter of the market prices of the Company's common stock.

	Market Price	
	High	Low
2023		
Fourth quarter	\$ 20.25	\$ 14.66
Third quarter	\$ 24.00	\$ 18.74
Second quarter	\$ 24.03	\$ 17.88
First quarter	\$ 27.10	\$ 20.70
2022		
Fourth quarter	\$ 38.00	\$ 20.51
Third quarter	\$ 36.97	\$ 27.54
Second quarter	\$ 44.00	\$ 30.03
First quarter	\$ 42.09	\$ 24.23

DIVIDENDS

In the last few years, the Company has not paid dividends, and there are no current plans to declare common stock dividends.

ISSUER PURCHASES OF EQUITY SECURITIES

The Company's purchases of its common stock during the fourth quarter of fiscal 2023 were as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ^(a)
October 1, 2023 - October 31, 2023	—	\$ —	—	\$ 4,799,292
November 1, 2023 - November 30, 2023	6,897	\$ 16.20	6,897	\$ 4,687,560
December 1, 2023 - December 31, 2023	4,495	\$ 16.39	4,495	\$ 4,613,877
Total	11,392	\$ 16.28	11,392	\$ 4,613,877

- (a) On July 30, 2015, the Company announced that its Board of Directors authorized the repurchase of up to \$10,000 of the Company's common stock. On August 8, 2023, the Company's Board of Directors authorized a new stock repurchase program for up to \$5,000 of the Company's outstanding shares of common stock. This authorization does not expire. The Company has repurchased shares from time to time as market conditions warrant.

Under the new stock repurchase program, the Company intends to repurchase shares through open market purchases, privately negotiated transactions, block purchases, or otherwise in accordance with applicable federal securities laws,

including Rule 10b-18 of the Securities Exchange Act of 1934 (the “Exchange Act”). Further details can be found in Note 12 to the Consolidated Financial Statements in Item 8 included in Part II of this Form 10-K.

For the year ended December 31, 2023, the Company repurchased a total of 48,234 shares of its common stock on the open market for a cost of \$959. Of these shares, 27,277 shares were repurchased under the July 30, 2015 authorization for \$573, and 20,957 were repurchased under the August 8, 2023 authorization for \$386. As of December 31, 2023, under the July 30, 2015 and August 8, 2023 authorizations combined, the Company had repurchased an aggregate of 513,412 shares for a total cost of \$10,387, completing the July 30, 2015 authorization and leaving \$4,614 available for purchase under the August 8, 2023 authorization.

ITEM 6. RESERVED

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) should be read in conjunction with the Consolidated Financial Statements and the notes thereto, included in Item 8 of this Form 10-K. This MD&A contains forward-looking statements. Please see “FORWARD-LOOKING STATEMENTS” for a discussion of the uncertainties, risks, and assumptions associated with these statements. This MD&A also uses the non-generally accepted accounting principle measure of earnings before interest, taxes, depreciation and amortization (“EBITDA”). See Note 16 to the Consolidated Financial Statements in Item 8 for EBITDA segment reconciliation information. Note that amounts within this Item shown in millions may not recalculate due to rounding.

This MD&A includes the following sections:

- Executive Overview
- Results of Operations
- Liquidity and Capital Resources
- Contingencies
- Critical Accounting Estimates
- Recent Accounting Pronouncements
- Forward-Looking Statements

Executive Overview

The Company’s objective is to increase value to the Company’s stockholders by providing global Recruitment Process Outsourcing (“RPO”) solutions to customers. With direct operations in fourteen countries and relationships with specialized professionals and organizations around the globe, the Company brings a strong ability to match talent with opportunities by assessing, recruiting, developing, and engaging highly successful people for the Company’s clients. The Company combines broad geographic presence, world-class talent solutions and a tailored, consultative approach to help businesses and professionals achieve maximum performance. The Company’s focus is to continually upgrade its service offerings and delivery capability tools to make the Company and candidates more successful in achieving clients’ business requirements.

The Company’s proprietary frameworks, assessment tools, and leadership development programs, coupled with its broad geographic footprint, allow the Company to design and implement regional and global outsourced recruitment solutions that the Company believes greatly enhance the quality and efficiency of its clients’ hiring.

To meet the Company’s objective, the Company engages in the following initiatives:

- Facilitating growth and development of the global RPO business through strategic investments in people, innovation, and technology;
- Building and differentiating the Company’s brand through its unique outsourcing solutions offerings; and
- Improving the Company’s cost structure and efficiency of its support functions and infrastructure.

We continue to explore all strategic alternatives to maximize value for the Company's stockholders, including without limitation, improving the market position and profitability of our services in the marketplace, and enhancing our valuation. We may pursue our goals through organic growth, strategic initiatives, or other alternatives. Additionally, we will continue to monitor capital markets for opportunities to repurchase shares, and consider other actions designed to enhance value to our stockholders, as well as review information regarding potential acquisitions or combinations, both within the RPO business line as well as other businesses, and provide information to third parties regarding potential dispositions of assets or business lines, from time to time.

This MD&A discusses the results of the Company's RPO business for the years ended December 31, 2023 and 2022.

Current Market Conditions

Our clients' demands for RPO and contracting services largely depend on the market conditions and the strength of the labor markets in the countries where we operate. In 2023, the market conditions continued to be challenging due to higher inflation, higher interest rates and decreased demand for labor in certain markets. We anticipate that the market conditions will continue to be challenging into 2024.

Economic conditions in most of the world's major markets slowed down in 2023. Higher than expected inflation in most markets and rising interest rates have led to significant market disruption, including further wage inflation, increased operating costs, staffing challenges, reduced consumer confidence, and limited capital market accessibility that impact our business. In addition, in connection with the challenging business environment, some of our customers have reduced demand, and certain other customers have eliminated our services on a temporary or permanent basis. These conditions and expected future inflation and potential interest rate increases could have material adverse impacts on various aspects of our business in the future.

The continued economic uncertainty has also resulted in volatility in global currencies. Stronger foreign currencies in other markets compared to the U.S. dollar during a reporting period cause local currency results of the Company's foreign operations to be translated into more U.S. dollars.

Constant Currency (Non-GAAP Financial Measure)

The Company operates on a global basis, with the majority of its revenue generated outside of the U.S. Accordingly, fluctuations in foreign currency exchange rates can affect our results of operations. For the discussion of reportable segment results of operations, the Company uses constant currency information. Constant currency compares financial results between periods as if exchange rates had remained constant period-over-period. The Company defines the term "constant currency" to mean that financial data for previously reported periods are translated into U.S. dollars using the same foreign currency exchange rates that were used to translate financial data for the current period. Constant currency metrics should not be considered in isolation or as a substitute for reported results prepared in accordance with generally accepted accounting principles ("GAAP") in the U.S. The Company's management reviews and analyzes business results in constant currency because it believes these results better represent the Company's underlying business trends.

Financial Performance

The following is a summary of the Company's financial performance highlights for the years ended December 31, 2023 and 2022. This summary should be considered in the context of the additional disclosures in this MD&A which further highlight the Company's results by segment.

- Revenue was \$161.3 million for the year ended December 31, 2023, compared to \$200.9 million for 2022, a decrease of \$39.6 million, or 20%. The decrease in revenue was principally driven by declines in the Americas and Australia.
 - On a constant currency basis, revenue decreased \$34.7 million, or 18%, primarily due to a decrease in RPO revenue of \$18.1 million, or 19%, and a decline in contracting revenue of \$16.6 million, or 17%, compared to 2022.
- Selling, general and administrative expenses, and other non-operating income (expense) ("SG&A and Non-Op") was \$76.6 million for the year ended December 31, 2023, compared to \$88.5 million for 2022, a decrease of \$11.9 million, or 13%.

- On a constant currency basis, SG&A and Non-Op decreased \$10.7 million or 12%. SG&A and Non-Op, as a percentage of revenue, was 47% for the year ended December 31, 2023, compared to 45% for 2022. The increase was principally due to higher staff costs as a percentage of revenue, partially offset by a \$1.1 million benefit payout in the Americas.
- EBITDA was \$3.7 million for the year ended December 31, 2023, compared to EBITDA of \$10.8 million for 2022. On a constant currency basis, EBITDA decreased \$6.8 million in 2023 compared to 2022.
- Net income was \$2.2 million for the year ended December 31, 2023, compared to a net income of \$7.1 million for 2022. On a constant currency basis, net income decreased \$5.1 million in 2023.

Changes in revenue, adjusted net revenue, SG&A and Non-Op, operating income (loss), net income (loss) and EBITDA (loss) include the effect of changes in foreign currency exchange rates. The tables below include a reconciliation of constant currency results to the most directly comparable U.S. GAAP financial measures, and summarize the impact of foreign currency exchange rate adjustments on the Company's operating results for the years ended December 31, 2023 and 2022.

	Year Ended December 31,			
	2023	2022		
	As reported	As reported	Currency translation	Constant currency
\$ in thousands				
Revenue:				
Americas	\$ 31,254	\$ 51,639	\$ (98)	\$ 51,541
Asia Pacific	103,857	118,149	(4,643)	113,506
Europe	26,227	31,129	(126)	31,003
Total	<u>\$ 161,338</u>	<u>\$ 200,917</u>	<u>\$ (4,867)</u>	<u>\$ 196,050</u>
Adjusted net revenue ^(a) :				
Americas	\$ 30,141	\$ 48,990	\$ (71)	\$ 48,919
Asia Pacific	33,675	34,278	(1,294)	32,984
Europe	16,451	15,942	184	16,126
Total	<u>\$ 80,267</u>	<u>\$ 99,210</u>	<u>\$ (1,181)</u>	<u>\$ 98,029</u>
SG&A and Non-Op ^(b) :				
Americas	\$ 31,171	\$ 44,407	\$ (257)	\$ 44,150
Asia Pacific	27,608	26,708	(1,014)	25,694
Europe	14,866	14,452	152	14,604
Corporate	2,959	2,888	—	2,888
Total	<u>\$ 76,604</u>	<u>\$ 88,455</u>	<u>\$ (1,119)</u>	<u>\$ 87,336</u>
Operating income (loss):				
Americas	\$ (2,514)	\$ 4,298	\$ (43)	\$ 4,255
Asia Pacific	6,894	8,378	(328)	8,050
Europe	1,988	1,726	25	1,751
Corporate	(4,985)	(5,065)	—	(5,065)
Total	<u>\$ 1,383</u>	<u>\$ 9,337</u>	<u>\$ (346)</u>	<u>\$ 8,991</u>
Net income, consolidated	<u>\$ 2,198</u>	<u>\$ 7,129</u>	<u>\$ 218</u>	<u>\$ 7,347</u>
EBITDA (loss) ^(c) :				
Americas	\$ (704)	\$ 4,877	\$ (55)	\$ 4,822
Asia Pacific	5,859	7,282	(272)	7,010
Europe	1,582	1,501	34	1,535
Corporate	(3,074)	(2,905)	—	(2,905)
Total	<u>\$ 3,663</u>	<u>\$ 10,755</u>	<u>\$ (293)</u>	<u>\$ 10,462</u>

(a) Represents Revenue less the Direct contracting costs and reimbursed expenses caption on the Consolidated Statements of Operations.

(b) SG&A and Non-Op is a measure that management uses to evaluate the segments' expenses, which include the following captions on the Consolidated Statements of Operations: Salaries and related, Office and general, Marketing and promotion, and Other income (expense), net. Corporate management expenses are included in the segments' other income (expense).

(c) See EBITDA reconciliation in the following section.

Use of EBITDA (Non-GAAP Financial Measure)

Management believes EBITDA is a meaningful indicator of the Company's performance that provides useful information to investors regarding the Company's financial condition and results of operations. EBITDA is considered by management as an indicator of operating performance and the most comparable measure across the regions in which we operate. Management uses this measurement to evaluate capital needs and working capital requirements. Similar to constant currency, EBITDA should not be considered in isolation or as a substitute for operating income or net income prepared in accordance with U.S. GAAP or as a measure of the Company's profitability. EBITDA is derived from net income (loss) adjusted for the provision for (benefit from) income taxes, interest expense (income), and depreciation and amortization.

The reconciliation of EBITDA to the most directly comparable U.S. GAAP financial measure is provided in the table below:

	Year Ended December 31,	
	2023	2022
\$ in thousands		
Net income	\$ 2,198	\$ 7,129
<u>Adjustments to net income</u>		
Provision for income taxes	370	2,331
Interest income, net	(372)	(83)
Depreciation and amortization expense	1,467	1,378
Total adjustments from net income to EBITDA	1,465	3,626
EBITDA	<u>\$ 3,663</u>	<u>\$ 10,755</u>

Results of Operations:*Americas (reported currency)***Revenue - Americas**

	Year Ended December 31,			
	2023	2022	Change in	Change in %
\$ in millions	As reported	As reported	amount	
Americas				
Revenue	\$ 31.3	\$ 51.6	\$ (20.4)	(39)%

For the year ended December 31, 2023, RPO revenue decreased by \$19.0 million, or 39%, while contracting revenue decreased by \$1.4 million, or 59%. The decreases in both RPO and contracting revenue were mainly due to lower demand from existing clients.

Adjusted net revenue - Americas

	Year Ended December 31,			
	2023	2022	Change in	Change in %
\$ in millions	As reported	As reported	amount	
Americas				
Adjusted net revenue	\$ 30.1	\$ 49.0	\$ (18.8)	(38)%
Adjusted net revenue as a percentage of revenue	96 %	95 %	N/A	N/A

For the year ended December 31, 2023, RPO adjusted net revenue decreased \$18.6 million, or 38%, while contracting adjusted net revenue decreased \$0.3 million, or 64%, compared to 2022. The decreases in RPO and contracting adjusted net revenue were due to the same factor noted above under “Revenue – Americas”.

Total adjusted net revenue, as a percentage of revenue, increased to 96% for 2023, compared to 95% for 2022, primarily attributable to the higher mix of RPO to contracting revenue in 2023 compared to 2022.

SG&A and Non-Op - Americas

	Year Ended December 31,			
	2023	2022	Change in	Change in %
\$ in millions	As reported	As reported	amount	
Americas				
SG&A and Non-Op	\$ 31.2	\$ 44.4	\$ (13.2)	(30)%
SG&A and Non-Op as a percentage of revenue	100 %	86 %	N/A	N/A

For the year ended December 31, 2023, SG&A and Non-Op decreased \$13.2 million, or 30%, compared to 2022, while SG&A and Non-Op as a percentage of revenue increased from 86% to 100%. The increase in SG&A and Non-Op as a percentage of revenue was primarily due to the decline in adjusted net revenue outpacing the decrease in consultant staff costs. SG&A and Non-Op in 2023 included proceeds received in early 2024 of \$1.1 million related to a benefit payout.

Operating Income and EBITDA - Americas

\$ in millions	Year Ended December 31,			
	2023 As reported	2022 As reported	Change in amount	Change in %
Americas				
Operating (loss) income	\$ (2.5)	\$ 4.3	\$ (6.8)	(158)%
EBITDA	\$ (0.7)	\$ 4.9	\$ (5.6)	(114)%
EBITDA as a percentage of revenue	(2)%	9 %	N/A	N/A

Operating loss of \$2.5 million decreased compared to operating income of \$4.3 million in 2022 primarily due to declines in adjusted net revenue and higher SG&A and Non-Op as a percentage of revenue.

For the year ended December 31, 2023, EBITDA loss was \$0.7 million, or 2% of revenue, compared to EBITDA of \$4.9 million, or 9% of revenue, in 2022. The decrease in EBITDA was due to the same factors noted above.

The difference between operating income and EBITDA for the year ended December 31, 2023, was primarily due to the proceeds of \$1.1 million noted above.

Asia Pacific (constant currency)

Revenue - Asia Pacific

\$ in millions	Year Ended December 31,			
	2023 As reported	2022 Constant currency	Change in amount	Change in %
Asia Pacific				
Revenue	\$ 103.9	\$ 113.5	\$ (9.6)	(9)%

For the year ended December 31, 2023, contracting revenue decreased by \$10.7 million, or 13%, while RPO revenue increased by \$1.0 million, or 3%, compared to 2022.

In Australia, for the year ended December 31, 2023, revenue decreased \$9.6 million, or 9%, compared to 2022. The decline was primarily in contracting revenue, which decreased by \$10.7 million, or 14%, partially offset by RPO revenue, which increased by \$1.1 million, or 5%. The decreases in contracting revenue was due to lower volume from existing clients, while the increase in RPO revenue were primarily due to higher demand from existing clients, as well as the implementation of new client contracts.

In Asia, revenue increased \$0.4 million, or 5%, for the year ended December 31, 2023, compared to 2022.

Adjusted net revenue - Asia Pacific

\$ in millions	Year Ended December 31,			
	2023 As reported	2022 Constant currency	Change in amount	Change in %
Asia Pacific				
Adjusted net revenue	\$ 33.7	\$ 33.0	\$ 0.7	2 %
Adjusted net revenue as a percentage of revenue	32 %	29 %	N/A	N/A

For the year ended December 31, 2023, RPO adjusted net revenue increased by \$0.8 million, or 3%, while contracting adjusted net revenue decreased by \$0.1 million, or 4%, compared to the same period in 2022.

In Australia, adjusted net revenue increased by \$0.8 million, or 3%, for the year ended December 31, 2023, compared to the same period in 2022. The increase was primarily in RPO adjusted net revenue, which grew \$0.9 million, or 4%, partially offset by a decrease in contracting adjusted net revenue of \$0.1 million, or 4% as compared to 2022. The increase in RPO

adjusted net revenue primarily reflected the implementation of a new contract win, while the decrease in contracting adjusted net revenue was due to lower demand from existing clients.

In Asia, adjusted net revenue decreased \$0.1 million, or 2%, for the year ended December 31, 2023, compared to 2022. The Hudson Singapore Acquisition positively contributed 1 percentage point to the adjusted net revenue performance (see Note 5 to the Consolidated Financial Statements in Item 8).

Adjusted net revenue as a percentage of revenue, for the year ended December 31, 2023, was 32%, compared to 29% for 2022. The increase in total adjusted net revenue as a percentage of revenue was attributed to the greater mix of higher margin RPO revenue to contracting revenue in 2023 (as contracting is generally a lower margin service offering), compared to 2022.

SG&A and Non-Op - Asia Pacific

	Year Ended December 31,			
	2023	2022		
\$ in millions	As reported	Constant currency	Change in amount	Change in %
Asia Pacific				
SG&A and Non-Op	\$ 27.6	\$ 25.7	\$ 1.9	7 %
SG&A and Non-Op as a percentage of revenue	27 %	23 %	N/A	N/A

For the year ended December 31, 2023, SG&A and Non-Op increased \$1.9 million, or 7%, compared to 2022. The increase was primarily due to higher consultant staff costs. SG&A and Non-Op, as a percentage of revenue, was 27% in 2023, compared to 23% in 2022. The increase was principally due to the lower mix of contracting revenue, where the majority of costs are reflected in adjusted net revenue.

Operating Income and EBITDA - Asia Pacific

	Year Ended December 31,			
	2023	2022		
\$ in millions	As reported	Constant currency	Change in amount	Change in %
Asia Pacific				
Operating income	\$ 6.9	\$ 8.1	\$ (1.2)	(14)%
EBITDA	\$ 5.9	\$ 7.0	\$ (1.2)	(16)%
EBITDA as a percentage of revenue	6 %	6 %	N/A	N/A

Operating income was \$6.9 million for the year ended December 31, 2023, compared to \$8.1 million for 2022. The decrease in operating income was principally due to the change in SG&A and Non-Op, as described above.

For the year ended December 31, 2023, EBITDA was \$5.9 million, or 6% of revenue, compared to EBITDA of \$7.0 million, or 6% of revenue, in 2022. The decrease in EBITDA for the year ended December 31, 2023 was principally due to the factors noted above.

The difference between operating income and EBITDA for the years ended December 31, 2023 and 2022 was principally due to corporate management expenses.

Europe (constant currency)

Revenue - Europe

	Year Ended December 31,			
	2023	2022		
\$ in millions	As reported	Constant currency	Change in amount	Change in %
Europe				
Revenue	\$ 26.2	\$ 31.0	\$ (4.8)	(15)%

For the year ended December 31, 2023, contracting revenue decreased by \$4.5 million, or 32%, while RPO revenue decreased by \$0.3 million, or 2%, compared to 2022.

In the U.K., for the year ended December 31, 2023, revenue decreased by \$4.4 million, or 15%, to \$24.8 million from \$29.2 million in 2022. The decrease was principally driven by lower contracting revenue of \$4.5 million.

In Continental Europe, for the year ended December 31, 2023, total revenue was \$1.4 million, compared to \$1.8 million for 2022, a decrease of \$0.3 million, or 19%. The decrease was due to lower demand from existing recruitment clients.

Adjusted net revenue - Europe

	Year Ended December 31,			
	2023	2022		
\$ in millions	As reported	Constant currency	Change in amount	Change in %
Europe				
Adjusted net revenue	\$ 16.5	\$ 16.1	\$ 0.3	2 %
Adjusted net revenue as a percentage of revenue	63 %	52 %	N/A	N/A

For the year ended December 31, 2023, adjusted net revenue increased by \$0.3 million, or 2%, driven by an increase in RPO revenue of \$0.4 million, or 3%, compared to the same period in 2022.

In the U.K., total adjusted net revenue for the year ended December 31, 2023, increased \$0.7 million, or 5%, compared to the same period in 2022. The change in the U.K. was primarily driven by an increase in RPO adjusted net revenue of \$0.7 million, or 5%.

In Continental Europe, for the year ended December 31, 2023, total adjusted net revenue decreased by \$0.3 million, or 21%, compared to the same period in 2022.

SG&A and Non-Op - Europe

	Year Ended December 31,			
	2023	2022		
\$ in millions	As reported	Constant currency	Change in amount	Change in %
Europe				
SG&A and Non-Op	\$ 14.9	\$ 14.6	\$ 0.3	2 %
SG&A and Non-Op as a percentage of revenue	57 %	47 %	N/A	N/A

For the year ended December 31, 2023, SG&A and Non-Op increased \$0.3 million, or 2%, compared to 2022. The increase in SG&A and Non-Op was due to higher staff consultant costs, foreign currency exchange and one-time client administrative costs of \$0.2 million, partially offset by advertising and marketing expense and travel and entertainment costs in

the current year. SG&A and Non-Op, as a percentage of revenue, was 57% in 2023 compared to 47% in 2022. The increase in SG&A and Non-Op as a percentage of revenue was primarily due to the higher consultant staff costs.

Operating Income and EBITDA - Europe

	Year Ended December 31,			
	2023	2022		
\$ in millions	As reported	Constant currency	Change in amount	Change in %
Europe				
Operating income:	\$ 2.0	\$ 1.8	\$ 0.2	14 %
EBITDA	\$ 1.6	\$ 1.5	\$ —	3 %
EBITDA as a percentage of revenue	6 %	5 %	N/A	N/A

Operating income was \$2.0 million for the year ended December 31, 2023, compared to \$1.8 million for 2022. The increase was principally due to the adjusted net revenue gains, as described above.

For the year ended December 31, 2023, EBITDA was \$1.6 million, or 6% of revenue, compared to EBITDA of \$1.5 million for 2022.

The difference between operating income and EBITDA for the years ended December 31, 2023 and 2022 was principally due to foreign currency exchange, corporate management expenses, and the one-time client administrative costs of \$0.2 million.

The following are discussed in reported currency

Corporate expenses, net of corporate management expenses

For the year ended December 31, 2023, corporate expenses were \$3.0 million compared to \$2.9 million for 2022, a increase of \$0.1 million, or 2%. The increase was primarily due to higher professional fees, partially offset by lower compensation expenses.

Depreciation and Amortization Expense

Depreciation and amortization expense was \$1.5 million and \$1.4 million for the years ended December 31, 2023 and 2022, respectively.

Interest Income, Net

Net interest income was \$0.4 million and \$0.1 million for the years ended December 31, 2023 and 2022, respectively. The increase was due to higher interest rates.

Other income (expense), Net

Net other income was \$0.8 million for the year ended December 31, 2023, as opposed to net other income of \$0.0 million for the same period in 2022. The increase in income was primarily due to a benefit payout of \$1.1 million, partially offset by one-time client administrative costs of \$0.2 million.

Provision for (benefit from) Income Taxes

The provision for income taxes for the year ended December 31, 2023 was \$0.4 million, on \$2.6 million of pre-tax income, compared to a provision from income taxes of \$2.3 million on \$9.5 million of pre-tax income for 2022. The effective tax rate for the year ended December 31, 2023 was 14.4%, compared to 24.6% for 2022. The change in the Company's effective tax rate compared to 2022 is primarily related to recognition of deferred tax assets in Belgium and Canada, the reduction and effective lapsing of statutes for certain historic foreign uncertain tax positions and foreign tax rate differences, as well as changes in valuation allowances in the U.S. and certain foreign jurisdictions. For the year ended December 31, 2022, the effective tax rate difference from the U.S. federal statutory rate of 21% was primarily attributable to changes in valuations allowances in the U.S. and certain foreign subsidiaries, which reduces or eliminates the effective tax rate on current year profits or losses, foreign tax rate differences, and non-deductible expenses.

Net Income

Net income was \$2.2 million for the year ended December 31, 2023, compared to net income of \$7.1 million for 2022, a decrease in net income of \$4.9 million. Basic and diluted earnings per share were \$0.72 and \$0.70, respectively for the year ended December 31, 2023, compared to basic and diluted income per share of \$2.37 and \$2.27 in 2022.

Liquidity and Capital Resources

As of December 31, 2023, cash and cash equivalents and restricted cash totaled \$23.2 million, as compared to \$27.5 million as of December 31, 2022. The following table summarizes the cash flow activities for the years ended December 31, 2023 and 2022:

\$ in millions	For The Year Ended December 31,	
	2023	2022
Net cash provided by operating activities	\$ 0.3	\$ 9.5
Net cash used in by investing activities	(2.2)	(1.3)
Net cash used in financing activities	(2.5)	(2.0)
Effect of exchange rates on cash, cash equivalents, and restricted cash	—	(0.7)
Net (decrease) increase in cash, cash equivalents, and restricted cash	<u>\$ (4.3) *</u>	<u>\$ 5.4 *</u>

*Does not sum due to rounding

Cash Flows from Operating Activities

For the year ended December 31, 2023, net cash provided by operating activities was \$0.3 million, as compared to \$9.5 million of net cash provided by operating activities for the same period in 2022, resulting in a decrease in net cash provided by operating activities of \$9.1 million. The decline was principally from the Company's lower net income in 2023, along with less favorable working capital comparisons to the prior year.

Cash Flows from Investing Activities

For the year ended December 31, 2023, net cash used in investing activities was \$2.2 million, as compared to \$1.3 million in 2022. Net cash used in investing activities in 2023 primarily reflects the cash paid of \$2.1 million in October 2023 for the acquisition of Singapore, while net cash used in investing activities in 2022 reflects cash paid of \$0.8 million in August 2022 for the acquisition of HnB (see Note 5 to the Consolidated Financial Statements in Item 8 for additional information.)

Cash Flows from Financing Activities

For the year ended December 31, 2023, net cash used in financing activities was \$2.5 million, compared to 2.0 million in 2022. The increase in net cash used in financing activities was mostly attributable to higher loan repayments of \$0.6 million related to the Karani Acquisition, partly offset by lower repurchases of common stock of \$0.2 million in 2023 compared to the previous year.

Invoice Finance Credit Facility

On April 8, 2019, the Company's Australian subsidiary ("Australian Borrower") entered into an invoice finance credit facility agreement (the "NAB Facility Agreement") with National Australia Bank Limited ("NAB"). The NAB Facility Agreement provides the Australian Borrower with the ability to borrow funds based on a percentage of eligible trade receivables up to a maximum of 4 million Australian dollars. No receivables have terms greater than 90 days, and any risk of loss is retained by the Australian Borrower. The interest rate is calculated as the variable receivable finance indicator rate, plus a margin of 1.60% per annum. Borrowings under this facility are secured by substantially all of the assets of the Australian Borrower. The NAB Facility Agreement does not have a stated maturity date and can be terminated by either the Australian Borrower or NAB upon 90 days written notice. As of December 31, 2023, there were no amounts outstanding under the NAB Facility Agreement. Interest expense and fees incurred on the NAB Facility Agreement were \$17 and \$18 for the years ended December 31, 2023 and 2022, respectively. The Company was in compliance with all financial covenants under the NAB Facility Agreement as of December 31, 2023.

On May 25, 2022, Hudson Global Resources (Singapore) Pte. Ltd. ("Singapore Borrower"), which the Company acquired on October 31, 2023 (see Note 5 to the Consolidated Financial Statements in Item 8), and the Hong Kong and Shanghai Banking Corporation Limited ("HSBC"), entered into an invoice finance credit facility agreement (the "HSBC Facility Agreement"). The HSBC Facility Agreement allows the Singapore Borrower to borrow funds up to a maximum of 1 million Singapore dollars, based on a percentage of eligible trade receivables. All receivables have a term of no more than 60 days, and any risk of loss is borne by the Singapore Borrower. The interest rate is calculated as the bank's external cost of capital, plus a margin of 3.5% per annum. The HSBC Facility Agreement does not have a stated maturity date. As of December 31, 2023, there were no outstanding amounts under the HSBC Facility Agreement. The interest expense and fees incurred on the HSBC Facility Agreement amounted to \$4 for the year ending December 31, 2023. The Company was in compliance with all financial covenants under the HSBC Facility Agreement as of December 31, 2023.

Liquidity and Capital Resources Outlook

As of December 31, 2023, the Company had cash and cash equivalents on hand of \$22.6 million. The Company also has the capability to borrow an additional 4 million Australian dollars under the NAB Facility Agreement and an additional 1 million Singapore dollars under the HSBC Facility. Other than as described above, the Company has no financial guarantees, outstanding debt or other lease agreements or arrangements that could trigger a requirement for an early payment or that could change the value of our assets. The Company believes that it has sufficient liquidity to satisfy its needs through at least the next 12 months, based on the Company's financial position as of December 31, 2023. The Company's near-term cash requirements during 2024 are primarily related to the funding of the Company's operations. For the full year 2024, the Company expects to make capital expenditures of less than \$0.5 million. The Company is closely managing its capital spending and will perform capital additions where economically prudent, while continuing to invest strategically for future growth.

As of December 31, 2023, \$9.3 million of the Company's cash and cash equivalents noted above was held in the U.S. and the remainder was held internationally, primarily in Australia (\$6.0 million), the U.K. (\$2.5 million), Singapore (\$1.0 million), Belgium (\$0.7 million), China (\$0.7 million), Hong Kong (\$0.6 million), India (\$0.6 million), the Philippines (\$0.4 million), Canada (\$0.4 million), and Switzerland (\$0.3 million). The majority of the Company's offshore cash is available to it as a source of funds, net of any tax obligations or assessments.

The Company believes that future external market conditions remain uncertain, particularly access to credit, rates of near-term projected economic growth, and levels of unemployment in the markets in which the Company operates. Due to these uncertain external market conditions, the Company cannot provide assurance that its actual cash requirements will not be greater in the future than those currently expected, especially if market conditions deteriorate substantially and interest rates and inflation continue to increase. If sources of liquidity are not available or if the Company cannot generate sufficient cash flow from operations, the Company could be required to obtain additional sources of funds through additional operating improvements, capital market transactions, asset sales or financing from third parties, or a combination of these sources. The Company cannot provide assurance that these additional sources of funds will be available or, if available, would have reasonable terms.

Off-Balance Sheet Arrangements

None.

Contingencies

From time to time in the ordinary course of business, the Company is subject to compliance audits by U.S. federal, state, local, and foreign government regulatory, tax, and other authorities relating to a variety of regulations, including wage and hour laws, unemployment taxes, workers' compensation, immigration, and income, value-added, and sales taxes. The Company is also subject to, from time to time in the ordinary course of business, various claims, lawsuits, and other complaints from, for example, clients, candidates, suppliers, landlords for both leased and subleased properties, former and current employees, and regulators or tax authorities. Periodic events and management actions such as business reorganization initiatives can change the number and types of audits, claims, lawsuits, contract disputes, or complaints asserted against the Company. Such events can also change the likelihood of assertion and the behavior of third parties to reach resolution regarding such matters.

The economic conditions in the recent past have given rise to many news reports and bulletins from clients, tax authorities and other parties about changes in their procedures for audits, payment, plans to challenge existing contracts and other such matters aimed at being more aggressive in the resolution of such matters in their own favor. The Company believes that it has appropriate procedures in place for identifying and communicating any matters of this type, whether asserted or likely to be asserted, and it evaluates its liabilities in light of the prevailing circumstances. Changes in the behavior of third parties could cause the Company to change its view of the likelihood of a claim and what might constitute a trend. Employment laws vary in the markets in which we operate, and in some cases, employees and former employees have extended periods during which they may bring claims against the Company.

For matters that reach the threshold of probable and estimable, the Company establishes reserves for legal, regulatory, and other contingent liabilities. The Company did not have any reserves as of December 31, 2023 and 2022, respectively. Although the outcome of these matters cannot be determined, the Company believes that none of the currently pending matters, individually or in the aggregate, will have a material adverse effect on the Company's financial condition, results of operations, or liquidity.

Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our Consolidated Financial Statements, which have been prepared in accordance with U.S. GAAP. The preparation of financial statements in accordance with U.S. GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. U.S. GAAP provides the framework from which to make these estimates, assumptions and disclosures. We choose accounting policies within U.S. GAAP that our management believes are appropriate to accurately and fairly report our operating results and financial position in a consistent manner. Our management regularly assesses these policies in light of current and forecasted economic conditions. Our accounting policies are stated in Note 2 to the Consolidated Financial Statements in Item 8. We believe the following accounting policies are critical to understanding our results of operations and affect the more significant judgments and estimates used in the preparation of our Consolidated Financial Statements that are inherently uncertain.

Revenue Recognition

The Company recognizes revenue for our RPO business over time in an amount that reflects the consideration we expect to be entitled to and have an enforceable right to payment in exchange for our services. The client simultaneously receives and consumes the benefits of the services as they are provided. The transaction prices contain both fixed fee and variable usage-based consideration. Variable usage-based consideration is constrained by candidates accepting offers of permanent employment. We recognize revenue on the fixed fee as the performance obligations are satisfied and usage-based fees as the constraint is lifted. We do not incur incremental costs to obtain our RPO contracts. The costs to fulfill these contracts are expensed as incurred.

The Company recognizes revenue for our contracting services over time as services are performed in an amount that reflects the consideration we expect to be entitled to and have an enforceable right to payment in exchange for our services, which is generally calculated as hours worked multiplied by the agreed-upon hourly bill rate. The client simultaneously receives and consumes the benefits of the services as they are provided. We do not incur incremental costs to obtain our contracting contracts. The costs incurred to fulfill these contracts are expensed as incurred.

As a practical expedient, we do not disclose the value of unsatisfied performance obligations for (i) contracts with an expected original duration of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

Income Taxes

We account for income taxes using the asset and liability method in accordance with Accounting Standards Codification (“ASC”) 740, “*Income Taxes*.” This standard establishes financial accounting and reporting standards for the effects of income taxes that result from an enterprise’s activities. It requires an asset and liability approach for financial accounting and reporting of income taxes.

The calculation of net deferred tax assets assumes sufficient future earnings for the realization of such assets as well as the continued application of currently anticipated tax rates. Included in net deferred tax assets is a valuation allowance for deferred tax assets where management believes it is more likely than not that the deferred tax assets will not be realized in the relevant jurisdiction. If we determine that a deferred tax asset will not be realizable, an adjustment to the deferred tax asset will result in a reduction of earnings at that time. Our assessment includes an analysis of whether deferred tax assets will be realized in the ordinary course of operations based on the available positive and negative evidence, including the scheduling of deferred tax liabilities and forecasted income from operations. The underlying assumptions we use in forecasting future taxable income require significant judgment. In the event that actual income from operations differs from forecasted amounts, or if we change our estimates of forecasted income from operations, we could record additional charges or reduce allowances in order to adjust the carrying value of deferred tax assets to their realizable amount. Such adjustments could be material to our Consolidated Financial Statements. See Note 7 to the Consolidated Financial Statements in Item 8 for further information regarding deferred tax assets and valuation allowances.

ASC 740-10-55-3, “*Recognition and Measurement of Tax Positions – a Two Step Process*,” provides implementation guidance related to the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements and prescribes a two-step evaluation process for a tax position taken or expected to be taken in a tax return. The first step is recognition and the second is measurement. ASC 740 also provides guidance on derecognition, measurement, classification, disclosures, transition and accounting for interim periods. In addition, ASC 740-10-25-9 provides guidance on how to determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits. As of December 31, 2023, the Company’s gross liability for income taxes associated with uncertain tax positions was \$0.1 million.

The Company’s unrecognized tax benefits, if recognized in the future, would affect the Company’s annual effective income tax rate. See Note 7 to the Consolidated Financial Statements in Item 8 for further information regarding unrecognized tax benefits. We elected to continue our historical practice of classifying applicable interest and penalties as a component of the provision for income taxes.

We provide tax reserves for federal, state, local and international exposures relating to periods subject to audit. The development of reserves for these exposures requires judgments about tax issues, potential outcomes and timing, and is a subjective critical estimate. We assess our tax positions and record tax benefits for all years subject to examination based upon management’s evaluation of the facts, circumstances and information available at the reporting dates. For those tax positions where it is more likely than not that a tax benefit will be sustained, we have recorded the largest amount of tax benefit with greater than 50% likelihood of being realized upon settlement with a tax authority that has full knowledge of all relevant information. For those tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the Consolidated Financial Statements. Where applicable, associated interest and penalties have also been recognized. Although the outcome relating to these exposures are uncertain, we believe that our reserves reflect the probable outcome of known tax contingencies. In certain circumstances, the ultimate outcome of exposures and risks involves significant uncertainties which render them inestimable. If actual outcomes differ materially from these estimates, including those that cannot be quantified, they could have a material impact on our results of operations.

The Company has provided tax on all unremitted earnings of our foreign subsidiaries taking into consideration all expected future events based on presently existing tax laws and rates.

The Company has elected to recognize the tax on Global Intangible Low Taxed Income (“GILTI”) as a period expense in the year the tax is incurred.

Business Combinations and Asset Acquisitions

Business Combinations are accounted for under the acquisition method in accordance with ASC 805, “*Business Combinations*.” The acquisition method requires identifiable assets acquired and liabilities assumed and any non-controlling interest in the business acquired to be recognized and measured at fair value on the acquisition date, which is the date that the acquirer obtains control of the acquired business. The amount by which the fair value of consideration transferred as the purchase price exceeds the net fair value of assets acquired and liabilities assumed is recorded as goodwill. Acquisitions that do

not meet the definition of a business under the ASC are accounted for as asset acquisitions. Asset acquisitions are accounted for by allocating the cost of the acquisition to the individual assets acquired and liabilities assumed on a relative fair value basis. Goodwill is not recognized in an asset acquisition with any consideration in excess of net assets acquired allocated to acquired assets on a relative fair value basis. Transaction costs are expensed in a business combination and are considered a component of the cost of the acquisition in an asset acquisition.

Recent Accounting Pronouncements

See Note 2 to our Consolidated Financial Statements in Item 8 regarding the impact or potential impact of recent accounting pronouncements upon our financial position and results of operations.

Forward-Looking Statements

This Form 10-K contains statements that the Company believes to be “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this Form 10-K, including statements regarding the Company’s future financial condition, results of operations, business operations and business prospects, are forward-looking statements. Words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “predict,” “believe,” and similar words, expressions, and variations of these words and expressions are intended to identify forward-looking statements. All forward-looking statements are subject to important factors, risks, uncertainties, and assumptions, including industry and economic conditions that could cause actual results to differ materially from those described in the forward-looking statements. Such factors, risks, uncertainties, and assumptions include, but are not limited to, (1) global economic fluctuations, (2) the Company’s ability to successfully achieve its strategic initiatives, (3) risks related to potential acquisitions or dispositions of businesses by the Company, (4) the Company’s ability to operate successfully as a company focused on its RPO business, (5) risks related to fluctuations in the Company’s operating results from quarter to quarter due to various factors such as rising inflationary pressures and interest rates, (6) the loss of or material reduction in our business with any of the Company’s largest customers, (7) the ability of clients to terminate their relationship with the Company at any time, (8) competition in the Company’s markets, (9) the negative cash flows and operating losses that may recur in the future, (10) risks relating to how future credit facilities may affect or restrict our operating flexibility, (11) risks associated with the Company’s investment strategy, (12) risks related to international operations, including foreign currency fluctuations, political events, natural disasters or health crises, including the Russia-Ukraine war, the Hamas-Israel war, and potential conflict in the Middle East, (13) the Company’s dependence on key management personnel, (14) the Company’s ability to attract and retain highly skilled professionals, management, and advisors, (15) the Company’s ability to collect accounts receivable, (16) the Company’s ability to maintain costs at an acceptable level, (17) the Company’s heavy reliance on information systems and the impact of potentially losing or failing to develop technology, (18) risks related to providing uninterrupted service to clients, (19) the Company’s exposure to employment-related claims from clients, employers and regulatory authorities, current and former employees in connection with the Company’s business reorganization initiatives, and limits on related insurance coverage, (20) the Company’s ability to utilize net operating loss carryforwards, (21) volatility of the Company’s stock price, (22) the impact of government regulations, (23) restrictions imposed by blocking arrangements, (24) risks related to the use of new and evolving technologies, and (25) the adverse impacts of cybersecurity threats and attacks. The foregoing list should not be construed to be exhaustive. Actual results could differ materially from the forward-looking statements contained in this Form 10-K. In view of these uncertainties, you should not place undue reliance on any forward-looking statements, which are based on our current expectations. These forward-looking statements speak only as of the date of this Form 10-K. The Company assumes no obligation, and expressly disclaims any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Hudson Global, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Hudson Global, Inc. (the Company) as of December 31, 2023, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows, for the year then ended, and the related notes (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit 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 audit 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 audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Realizability of Deferred Tax Assets

As described in Note 7 to the financial statements, the Company had deferred tax assets of \$187 million, reduced by a valuation allowance of \$183 million as of December 31, 2023. Deferred tax assets are reduced by a valuation allowance if, based upon the consideration of all positive and negative evidence, the Company determines that it is more-likely-than-not that a portion or all of the deferred tax assets will ultimately not be realized in future tax periods. The Company has determined it is more likely than not that a portion of the deferred tax assets will not be realized.

We identified management's evaluation of the realizability of the deferred tax assets as a critical audit matter. The principal considerations for our determination are the certain significant judgements made by management in determining realizability of the deferred tax assets, such as the forecasting of future income and evaluation of the positive and negative evidence. Auditing the forecast of future income and the positive and negative evidence involve especially subjective auditor judgement due to the nature and extent of audit effort required to address this matter, including the extent of specialized skill or knowledge needed.

The primary procedures we performed to address this critical audit matter included (i) verifying net operating loss and capital loss carryforwards that will expire within the near future, (ii) analyzing the Company's historical earnings, (iii) reviewing managements assumptions used in the development of forecasts and (iv) analyzing the impact of certain elections related to the Company's Global Intangible Low Taxed Income (GILTI) inclusions.

We have served as the Company's auditor since 2023.

/s/ Wolf & Company, P.C.

Boston, Massachusetts

March 14, 2024

Report of Independent Registered Public Accounting Firm

Stockholders and Board of Directors
Hudson Global, Inc.
Old Greenwich, Connecticut

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Hudson Global, Inc. (the “Company”) as of December 31, 2022, the related consolidated statements of operations and comprehensive income, stockholders’ equity, and cash flows for the year then ended, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the 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 the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provide a reasonable basis for our opinion.

/s/ BDO USA, LLP

We served as the Company’s auditor from 2019 to 2023.

New York, New York

April 14, 2023

HUDSON GLOBAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Year Ended December 31,	
	2023	2022
Revenue	\$ 161,338	\$ 200,917
Operating expenses:		
Direct contracting costs and reimbursed expenses	81,071	101,707
Salaries and related	62,859	74,373
Office and general	10,915	10,344
Marketing and promotion	3,643	3,778
Depreciation and amortization	1,467	1,378
Total operating expenses	159,955	191,580
Operating income	1,383	9,337
Non-operating income (expense):		
Interest income, net	372	83
Other income (expense), net	813	40
Income before income taxes	2,568	9,460
Provision for income taxes	370	2,331
Net income	\$ 2,198	\$ 7,129
Earnings per share:		
Basic	\$ 0.72	\$ 2.37
Diluted	\$ 0.70	\$ 2.27
Weighted-average shares outstanding:		
Basic	3,064	3,011
Diluted	3,140	3,138

See accompanying notes to Consolidated Financial Statements.

HUDSON GLOBAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Year Ended December 31,	
	2023	2022
Comprehensive income:		
Net income	\$ 2,198	\$ 7,129
Other comprehensive income (loss):		
Foreign currency translation adjustment, net of income taxes	349	(1,554)
Total other comprehensive income (loss), net of income taxes	349	(1,554)
Comprehensive income	<u>\$ 2,547</u>	<u>\$ 5,575</u>

See accompanying notes to Consolidated Financial Statements.

HUDSON GLOBAL, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

	As of December 31,	
	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 22,611	\$ 27,123
Accounts receivable, less allowance for expected credit losses of \$378 and \$51, respectively	19,710	26,270
Restricted cash, current	354	160
Prepaid and other	3,172	1,959
Total current assets	45,847	55,512
Property and equipment, net of accumulated depreciation of \$1,564 and \$950, respectively	421	673
Operating lease right-of-use assets	1,431	685
Goodwill	5,749	4,875
Intangible assets, net of accumulated amortization of \$2,771 and \$1,647, respectively	3,628	4,516
Deferred tax assets	3,360	1,475
Restricted cash	205	194
Other assets	317	12
Total assets	<u>\$ 60,958</u>	<u>\$ 67,942</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 868	\$ 1,678
Accrued salaries, commissions, and benefits	4,939	11,509
Accrued expenses and other current liabilities	4,635	6,348
Note payable – short term	—	1,250
Operating lease obligations, current	768	337
Total current liabilities	11,210	21,122
Income tax payable	87	81
Operating lease obligations	664	348
Other liabilities	443	599
Total liabilities	12,404	22,150
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 10,000 shares authorized; none issued or outstanding	—	—
Common stock, \$0.001 par value, 20,000 shares authorized; 3,896 and 3,823 shares issued; 2,807 and 2,794 shares outstanding, respectively	4	4
Additional paid-in capital	493,036	491,567
Accumulated deficit	(425,247)	(427,394)
Accumulated other comprehensive loss, net of applicable tax	(1,290)	(1,639)
Treasury stock, 1,089 and 1,029 shares, respectively, at cost	(17,949)	(16,746)
Total stockholders' equity	48,554	45,792
Total liabilities and stockholders' equity	<u>\$ 60,958</u>	<u>\$ 67,942</u>

See accompanying notes to Consolidated Financial Statements.

HUDSON GLOBAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 2,198	\$ 7,129
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,467	1,378
Provision for expected credit losses	483	26
Benefit from deferred income taxes	(1,092)	(233)
Stock-based compensation	1,469	2,318
Other, net	—	(3)
Changes in operating assets and liabilities, net of effect of acquisitions and dispositions:		
Decrease (increase) in accounts receivable	6,921	(2,128)
Increase in prepaid and other assets	(1,105)	(615)
Decrease in accounts payable and other liabilities	(3,379)	(546)
(Decrease) increase in accrued expenses	(6,647)	2,124
Net cash provided by operating activities	315	9,450
Cash flows from investing activities:		
Capital expenditures	(99)	(504)
Cash paid for acquisitions, net of cash acquired	(2,055)	(825)
Proceeds from sale of assets, net of disposal costs	—	3
Net cash used in investing activities	(2,154)	(1,326)
Cash flows from financing activities:		
Payments for business acquisition liabilities	(1,250)	(620)
Purchases of treasury stock	(959)	(1,131)
Cash paid for net settlement of employee restricted stock units	(244)	(286)
Net cash used in financing activities	(2,453)	(2,037)
Effect of exchange rates on cash and cash equivalents and restricted cash	(15)	(723)
Net (decrease) increase in cash and cash equivalents and restricted cash	(4,307)	5,364
Cash, cash equivalents, and restricted cash beginning of the period	27,477	22,113
Cash, cash equivalents, and restricted cash end of the period	\$ 23,170	\$ 27,477
Supplemental disclosures of cash flow information:		
Cash payments during the period for income taxes, net of refunds	\$ 2,189	\$ 3,031
Cash paid for amounts included in operating lease liabilities	\$ 583	\$ 512
Supplemental non-cash disclosures:		
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 1,354	\$ 772
Business acquisition contingent consideration liability	\$ —	\$ 150

See accompanying notes to Consolidated Financial Statements.

HUDSON GLOBAL, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in thousands)

	Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Treasury stock		Total
	Shares	Value				Shares	Value	
Balance at December 31, 2021	3,694	\$ 4	\$ 489,249	\$ (434,523)	\$ (85)	(987)	\$(15,329)	\$ 39,316
Net Income	—	—	—	7,129	—	—	—	7,129
Other comprehensive loss, translation adjustments	—	—	—	—	(1,554)	—	—	(1,554)
Purchase of treasury stock	—	—	—	—	—	(33)	(1,131)	(1,131)
Purchase of net settled restricted stock from employees	—	—	—	—	—	(9)	(286)	(286)
Stock-based compensation and vesting of restricted stock units	129	—	2,318	—	—	—	—	2,318
Balance at December 31, 2022	3,823	\$ 4	\$ 491,567	\$ (427,394)	\$ (1,639)	(1,029)	\$(16,746)	\$ 45,792
Net income	—	—	—	2,198	—	—	—	2,198
Cumulative-effect adjustment from adoption of ASU 2016-13, Credit Losses	—	—	—	(51)	—	—	—	(51)
Other comprehensive income (loss), translation adjustments	—	—	—	—	349	—	—	349
Purchase of treasury stock	—	—	—	—	—	(48)	(959)	(959)
Purchase of net settled restricted stock from employees	—	—	—	—	—	(12)	(244)	(244)
Stock-based compensation and vesting of restricted stock units	73	—	1,469	—	—	—	—	1,469
Balance at December 31, 2023	3,896	\$ 4	\$ 493,036	\$ (425,247)	\$ (1,290)	(1,089)	\$(17,949)	\$ 48,554

See accompanying notes to Consolidated Financial Statements.

HUDSON GLOBAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

NOTE 1 – DESCRIPTION OF BUSINESS

Hudson Global, Inc. and its subsidiaries (the “Company”) are comprised of the operations, assets, and liabilities of the three Hudson regional businesses: the Americas, Asia Pacific, and Europe. The Company delivers Recruitment Process Outsourcing (“RPO”), consisting of permanent recruitment and contracting outsourced recruitment solutions tailored to the individual needs of primarily mid-to-large-cap multinational companies. The Company’s RPO delivery teams utilize recruitment process methodologies and project management expertise to meet clients’ ongoing business needs. The Company’s RPO services include complete recruitment outsourcing, project-based outsourcing, contingent workforce solutions, and recruitment consulting for clients’ permanent staff hires. Hudson’s RPO services leverage the Company’s consultants, supported by the Company’s specialists, in the delivery of its proprietary methods to identify, select, and engage the best-fit talent for critical client roles. In addition, the Company provides RPO clients with a range of outsourced professional contract staffing services and managed service provider services offered sometimes on a standalone basis and sometimes as part of a blended total talent solution. These services draw upon a combination of specialized recruiting and project management competencies to deliver a wide range of solutions. Hudson-employed professionals - either individually or as a team - are placed with client organizations for a defined period of time based on specific business needs of the client.

On October 31, 2023, Hudson completed its acquisition of Hudson Global Resources (Singapore) Pte. Ltd. (“Hudson Singapore”), a provider of recruitment services primarily to clients operating in Singapore. Hudson Singapore has a 30-year track record of senior placements and project recruitment work across Southeast Asia including Singapore, Malaysia, the Philippines, Vietnam, Thailand, and Indonesia.

On August 19, 2022, the Company completed the acquisition of Hunt & Badge Consulting Private Limited (“HnB”), an India-headquartered provider of recruitment services to customers operating in India. HnB partners with companies of all sizes, including well-known multinationals, across a variety of industries to help meet their talent procurement needs.

On October 29, 2021, the Company completed the acquisition of Karani, LLC (“Karani”), a Chicago-headquartered recruiting services provider that primarily serves U.S.-based customers from its operations in India and the Philippines. Karani partners with recruitment and staffing firms to assist with recruiting, sourcing, screening, onboarding, and other talent-related services across a variety of industries. This acquisition has enhanced Hudson RPO’s global delivery capability by adding a substantial presence in India and the Philippines, fostering business in new markets, and further developing Hudson RPO’s technology recruitment capabilities.

As of December 31, 2023, the Company operated directly in fourteen countries with three reportable geographic business segments: Americas, Asia Pacific, and Europe.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States of America (“U.S.”). Certain prior period amounts have been reclassified to conform to the current year presentation with no material impact on the Consolidated Financial Statements. Unless otherwise stated, amounts are presented in U.S. dollars and all amounts are in thousands, except for number of shares and per share amounts.

Recently Adopted Accounting Standards

On January 1, 2023, the Company adopted Accounting Standards Update (“ASU”) 2016-13, “Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments”. This update was issued by the Financial Accounting Standards Board (the “FASB”) in June 2016. This standard requires an impairment model (known as the current expected credit loss (“CECL”) model) and replaces the methodology that recognizes impairment of financial instruments when losses have been incurred with a methodology that recognizes impairment of financial instruments when losses are expected. The new standard requires entities to use a forward-looking “expected loss” model for most financial instruments, including accounts receivable and unbilled services that is based on historical information, current information, and reasonable and supportable forecasts.

As a result of adopting the new standard, the Company recognized a cumulative increase to allowances for accounts receivable and unbilled services and a reduction to the 2023 opening balance of retained earnings of \$51. Comparative periods

HUDSON GLOBAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

prior to the adoption of this standard and their respective disclosures have not been adjusted. The adoption of ASU 2016-13 did not have a material impact on the Company's Consolidated Financial Statements.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and all of its wholly owned and majority-owned subsidiaries. All significant inter-company accounts and transactions between and among the Company and its subsidiaries have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of revenue and expenses. The critical accounting estimates include revenue recognition, income taxes, and business combinations and asset acquisitions. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates the estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from those estimates.

Concentration and Credit Risk

The Company's revenue is comprised of the operations, assets, and liabilities of the three regional businesses: Americas, Asia Pacific, and Europe. For the years ended December 31, 2023 and 2022, the Company's top 25 clients generated over 85% and 75% of the Company's revenue, respectively. Two clients accounted for an aggregate 50% of revenue in 2023 and 2022. One client accounted for 20% or greater of accounts receivable as of December 31, 2023 and 2022. Our business is dependent upon the continuation of these business relationships as well as new client development.

Financial instruments, which potentially subject the Company to concentrations of credit risk, are primarily cash and accounts receivable. The Company performs continuing credit evaluations of its customers and does not require collateral. The Company has not experienced significant losses related to receivables in the Consolidated Statements of Operations.

The Company may from time to time maintain cash in banks in excess of Federal Deposit Insurance Corporation insurance limits. However, the Company regularly monitors the financial condition of the institutions in which it has depository accounts and believes the risk of loss is minimal as these banks are large financial institutions with strong credit ratings.

Revenue Recognition

Revenue is measured according to ASC 606, Revenue - "Revenue from Contracts with Customers," and is recognized based on consideration specified in a contract with a client. We account for a contract when both parties to the contract have approved the contract, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. Revenues are recognized over time, using an input or output method, as the control of the promised services is transferred to the client in an amount that reflects the consideration we expect to be entitled to in exchange for those services. The majority of our contracts are short-term in nature as they include termination clauses that allow either party to cancel within a short termination period, without cause. Revenue includes billable travel and other reimbursable costs and is reported net of value added taxes, sales, or use taxes collected from clients and remitted to taxing authorities.

Certain client contracts have variable consideration, including usage-based fees that increase the transaction price and volume rebates or other similar items that generally reduce the transaction price. We estimate variable consideration using the expected value method based on the terms of the client contract and historical evidence. These amounts may be constrained and are only included in revenue to the extent we do not expect a significant reversal when the uncertainty associated with the variable consideration is resolved. Other than bonuses to be paid to contractors, on behalf of our clients, our estimated amounts of variable consideration subject to constraints at period end are not material and we do not believe that there will be significant

HUDSON GLOBAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

changes to our estimates. Certain contract employees are entitled to performance bonuses at the sole discretion of the client and are constrained until approved. In 2023 and 2022, bonuses approved and paid to our contracting employees were approximately \$0.5 million and \$6.1 million, respectively.

We record accounts receivable when our right to consideration becomes unconditional. The Company's accounts receivable balances are composed of trade and unbilled receivables. Unbilled accounts receivable represent revenue recorded in advance of processing formal invoices pursuant to the completion of contract provisions and, generally, become billable at contractually specified dates. Unbilled amounts are expected to be invoiced and collected within one year. Contract assets primarily relate to our rights to consideration for services provided that such rights to consideration are conditional on satisfaction of future performance obligations. A contract liability for deferred revenue is recorded when consideration is received, or is unconditionally due, from a client prior to transferring control of services to the client under the terms of a contract. Deferred revenue balances typically result from advance payments received from clients prior to transferring control of services. We do not have any material contract assets or liabilities as of and for the years ended December 31, 2023 and 2022.

Payment terms vary by client and the services being provided to the client. We consider payment terms that exceed one year to be extended payment terms. Substantially all of the Company's contracts include payment terms of 90 days or less, and we do not extend payment terms beyond one year.

We primarily record revenue on a gross basis in the Consolidated Statements of Operations based upon the following key factors:

- We maintain the direct contractual relationship with the client and are responsible for fulfilling the service promised to the client.
- We maintain control over our contractors while the services to the client are being performed, including our contractors' billing rates.

RPO. We provide complete recruitment outsourcing, project-based outsourcing, and recruitment consulting services for clients' permanent staff hires. We recognize revenue for our RPO over time in an amount that reflects the consideration we expect to be entitled to and have an enforceable right to payment in exchange for our services. The client simultaneously receives and consumes the benefits of the services as they are provided. The transaction prices contain both fixed fee and variable usage-based consideration. Variable usage-based consideration is constrained by candidates accepting offers of permanent employment. We recognize revenue on fixed fees as the performance obligations are satisfied and on usage-based fees as the constraint is lifted. We do not incur incremental costs to obtain our RPO contracts. The costs to fulfill these contracts are expensed as incurred.

We recognize permanent placement revenue when employment candidates accept offers of permanent employment. We have a substantial history of estimating the financial impact of permanent placement candidates who do not remain with our clients through a guarantee period. Fees to clients are generally calculated as a percentage of the new employee's annual compensation. No fees for permanent placement services are charged to employment candidates.

Contracting. We provide clients with a range of outsourced professional contract staffing services and managed service provider services offered sometimes on a standalone basis and sometimes as part of a blended total talent solution. We recognize revenue for our contracting services over time as services are performed in an amount that reflects the consideration we expect to be entitled to and have an enforceable right to payment in exchange for our services, which is generally calculated as hours worked multiplied by the agreed-upon hourly bill rate. The client simultaneously receives and consumes the benefits of the services as they are provided. We do not incur incremental costs to obtain our contracts for outsourced professional contract staffing services and managed service provider services. The costs incurred to fulfill these contracts are expensed as incurred.

Unsatisfied performance obligations. As a practical expedient, we do not disclose the value of unsatisfied performance obligations for (i) contracts with an expected original duration of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed. See Note 3 for information on disaggregated revenue.

HUDSON GLOBAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

Operating Expenses

Salaries and related expenses include the salaries, commissions, payroll taxes and employee benefits related to recruitment professionals, executive level employees, administrative staff, and other employees of the Company who are not temporary contractors. Office and general expenses include occupancy, equipment leasing and maintenance, utilities, travel expenses, professional fees, and provision for expected credit losses. The Company expenses job board and legal costs as incurred.

Stock-Based Compensation

The Company applies the fair value recognition provisions of ASC 718, *"Compensation - Stock Compensation."* The Company determines the fair value as of the grant date. For awards with graded vesting conditions, the values of the awards are determined by valuing each tranche separately and expensing each tranche over the required service period. The service period is the period over which the related service is performed, which is generally the same as the vesting period. The Company accounts for forfeitures as they occur. During the years ended December 31, 2023 and 2022, the Company only granted restricted stock units and restricted shares of common stock.

Employee Benefit Programs

The Company in the U.S. sponsors a defined contribution plan covering substantially all of its full-time employees (the "401(k) Plan"). The Company recognized expense related to the 401(k) Plan totaling approximately \$250 and \$268 for the years ended December 31, 2023 and 2022, respectively.

Income Taxes

Earnings from the Company's global operations are subject to tax in various jurisdictions both within and outside the United States. The Company accounts for income taxes in accordance with ASC 740, *"Income Taxes."* This standard establishes financial accounting and reporting standards for the effects of income taxes that result from an enterprise's activities. It requires an asset and liability approach for financial accounting and reporting of income taxes.

The calculation of net deferred tax assets assumes sufficient future earnings for the realization of such assets as well as the continued application of currently anticipated tax rates. Included in net deferred tax assets is a valuation allowance for deferred tax assets where management believes it is more likely than not that the deferred tax assets will not be realized in the relevant jurisdiction. If we determine that a deferred tax asset will not be realizable, an adjustment to the deferred tax asset will result in a reduction of earnings at that time. See Note 7 to the Consolidated Financial Statements for further information regarding deferred tax assets and our valuation allowance.

ASC 740-10-55-3, *"Recognition and Measurement of Tax Positions - a Two Step Process,"* provides implementation guidance related to the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a two-step evaluation process for a tax position taken or expected to be taken in a tax return. The first step is recognition and the second is measurement. ASC 740 also provides guidance on derecognition, measurement, classification, disclosures, transition, and accounting for interim periods. The Company provides tax reserves for U.S. federal, state, local, and international unrecognized tax benefits for all periods subject to audit. The development of reserves for these exposures requires judgments about tax issues, potential outcomes and timing, and is a subjective critical estimate. The Company assesses its tax positions and records tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances, and information available at the reporting dates. For those tax positions where it is more likely than not that a tax benefit will be sustained, the Company has recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon settlement with a tax authority that has full knowledge of all relevant information. For those tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements. Where applicable, associated interest and penalties have also been recognized as a component of income tax expense. Although the outcome related to these exposures is uncertain, in management's opinion, adequate provisions for income taxes have been made for estimable potential liabilities emanating from these exposures. In certain circumstances, the ultimate outcome for exposures and risks involves significant uncertainties which render them inestimable. If actual outcomes differ materially from these estimates, including those that cannot be quantified, they could have material impact on the Company's results of operations.

HUDSON GLOBAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

The Company has provided tax on all unremitted earnings of our foreign subsidiaries taking into consideration all expected future events based on presently existing tax laws and rates.

The Company has elected to recognize the tax on Global Intangible Low Taxed Income (“GILTI”) as a period expense in the year the tax is incurred.

Earnings Per Share

Basic earnings per share (“EPS”) is computed by dividing the Company’s net income by the weighted average number of shares outstanding during the period. When the effects are not anti-dilutive, diluted earnings per share is computed by dividing the Company’s net income by the weighted average number of shares outstanding and the impact of all dilutive potential common shares, primarily stock options “in-the-money” and unvested restricted stock. The dilutive impact of stock options and unvested restricted stock is determined by applying the “treasury stock” method. Performance-based restricted stock awards are included in the computation of diluted earnings per share only to the extent that the underlying performance conditions: (i) are satisfied prior to the end of the reporting period, or (ii) would be satisfied if the end of the reporting period were the end of the related performance period and the result would be dilutive under the treasury stock method. Stock awards subject to vesting or exercisability based on the achievement of market conditions are included in the computation of diluted earnings per share only when the market conditions are met.

Income per share calculations for each quarter include the weighted average effect for the quarter; therefore, the sum of quarterly income per share amounts may not equal year-to-date income per share amounts, which reflect the weighted average effect on a year-to-date basis. In addition, the calculation of the impact of dilutive potential common shares might be dilutive on a quarterly basis but anti-dilutive on a year-to-date basis or vice versa.

Fair Value of Financial Instruments

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured using inputs in one of the following three categories:

Level 1 measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level 2 measurements are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or market data other than quoted prices that are observable for the assets or liabilities.

Level 3 measurements are based on unobservable data that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The carrying amounts reported in the Consolidated Balance Sheets for cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings approximate fair value because of the immediate or short-term maturity of these financial instruments.

Cash and Cash Equivalents

For financial statement presentation purposes, the Company considers all highly liquid investments having an original maturity of three months or less as cash equivalents.

Restricted Cash

Restricted cash primarily represents amounts required to be held on deposit for a travel and entertainment program in the U.K., a bank guarantee for licensing in Switzerland, and deposits held for office space.

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Accounts Receivable

The Company's accounts receivable balances are composed of trade and unbilled receivables. Unbilled accounts receivable represent revenue recorded in advance of processing formal invoices pursuant to the completion of contract provisions and, generally, become billable at contractually specified dates. Unbilled receivables of \$5,163 and \$8,523 as of December 31, 2023 and 2022, respectively, are expected to be invoiced and collected within one year. The Company records accounts receivable when its right to consideration becomes unconditional. Contract assets primarily relate to our rights to consideration for services provided that they are conditioned on satisfaction of future performance obligations. Accounts receivable, net, are stated at the amount the Company expects to collect, which is net of estimated losses resulting from the inability of its customers to make required payments.

Allowance for Expected Credit Losses

The allowance for expected credit losses is estimated based on the CECL model and it takes into account information about past events, current conditions, and reasonable and supportable forecasts of future economic conditions. It represents the aggregate amount of credit risk arising from the inability of specific clients to pay our fees or disputes that may affect our ability to fully collect our billed accounts receivable. When determining the collectability of specific customer accounts, a number of factors are evaluated, including: customer creditworthiness, past transaction history with the customer, changes in customer financial stability, payment terms or practices, and effect of market conditions on each customer. Other factors include, but are not limited to, current economic conditions and forward-looking estimates. Our actual experience may vary from our estimates. If the financial condition of our clients were to deteriorate, resulting in their inability or unwillingness to pay our fees, we may need to record additional provisions for expected credit losses in future periods. The risk of credit losses may be mitigated to the extent that we received a retainer from some of our clients prior to performing services. Changes in allowance for expected credit losses are recorded in office and general expenses on the Consolidated Statements of Operations and were not material for the the year ended December 31, 2023. Accounts receivable, net of the allowance for expected credit losses, represents the amount we expect to collect. At each reporting date, we adjust the allowance for expected credit losses to reflect our current estimate. Our billed accounts receivables are written off when the potential for recovery is considered remote.

The Company generally establishes customer credit limits and estimates the allowance for credit losses on a country or geographic basis. Customer credit limits are based upon an initial evaluation of the customer's credit quality and we adjust that limit accordingly based upon ongoing credit assessments of the customer, including payment history and changes in credit quality. Consistent with our adoption of ASU 2016-13, effective January 1, 2023 (refer to Note 3 – Summary of Significant Accounting Policies), the allowance for expected credit losses is determined based on an assessment of past collection experience as well as consideration of current and future economic conditions and changes in our customer collection trends.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Furniture and equipment	3 - 8
Capitalized software costs	3 - 5
Computer equipment	3 - 5

Leasehold improvements are amortized over the shorter of their estimated useful lives or the lease term. The amortization periods of material leasehold improvements are estimated at the inception of the lease term.

Leases

Lease liabilities are recognized at the commencement of a lease based on the sum of lease payments over the term of the lease. Lease liabilities are reduced as payments are made. A corresponding right-of-use asset is recognized at the same time as the lease liability based on the total amount of lease expense to be recognized, which is generally the same amount as the corresponding lease liabilities. Right-of-use assets are amortized over the life of the lease on a straight-line basis. The

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Company's lease agreements may include options to renew, extend, or terminate the lease. These clauses are included in the measurement of the lease liabilities when the Company is reasonably certain that it will exercise such options.

The Company has elected to exclude short-term leases from the recognition requirements of ASC 842. A lease is short-term if, at the commencement date, it has a term of less than or equal to one year. Lease expense related to short-term leases is recognized on a straight-line basis over the lease term.

Capitalized Software Costs

Capitalized software costs consist of costs to purchase and develop software for internal use. The Company capitalizes certain incurred software development costs in accordance with ASC 350-40, "Intangibles Goodwill and Other: Internal-Use Software." Costs incurred during the application-development stage for software purchased and further customized by outside vendors for the Company's use and software developed by a vendor for the Company's proprietary use have been capitalized. Labor costs incurred during the application-development stage for the Company's own personnel which are directly associated with software development are capitalized as appropriate. The Company expenses software and overhead cost incurred during the preliminary and/or post implementation of the project stage such as maintenance, training and upgrades or enhancements that do not increase functionality. Capitalized software costs are included in property and equipment.

Business Combinations and Asset Acquisitions

Business Combinations are accounted for under the acquisition method in accordance with ASC 805, "*Business Combinations*." The acquisition method requires identifiable assets acquired and liabilities assumed in the business acquired to be recognized and measured at fair value on the acquisition date, which is the date that the acquirer obtains control of the acquired business. The amount by which the fair value of consideration transferred as the purchase price exceeds the net fair value of assets acquired and liabilities assumed is recorded as goodwill. Transaction costs are expensed in a business combination and included in Office and General.

Intangible Assets

Intangible assets consist of customer relationships, trade names, non-competition agreements and developed technology. The Company's definite-life intangible assets are being amortized on a straight-line basis over their estimated lives ranging from two to ten years. The Company periodically evaluates whether events or changes in circumstances have occurred that indicate long-lived assets may not be recoverable. When such circumstances are present, the Company assesses whether the carrying value will be recovered through the expected undiscounted future cash flows resulting from the use and eventual disposition of the long-lived asset. In the event the sum of the expected undiscounted future cash flows is less than the carrying value of the long-lived asset, an impairment loss equal to the excess of the long-lived asset's carrying value over its fair value is recorded in accordance with ASC 360-10-35. There were no impairment triggers during the year ended December 31, 2023.

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Amortization expense is computed using the straight-line method over the following estimated useful lives:

	Years
Non-compete agreements	2 - 3
Developed Technology	3
Customer lists	3 - 6
Trade name	5 - 10

Goodwill

The Company records the excess of purchase price over the fair value of the tangible and identifiable intangible assets acquired and liabilities assumed as goodwill. The Company has allocated goodwill for certain acquisitions to its Americas reportable segment and others to its Asia Pacific reportable segment. Goodwill is not amortized and is tested for impairment on an annual basis on October 1, or when an event or changes in circumstances indicate that its carrying value may not be recoverable. The Company identified multiple reporting units that carry a goodwill balance, some of which are included in the Americas reportable segment, and others in the Asia Pacific reportable segment.

Goodwill impairment is tested at the reporting unit level, which is defined as an operating segment or one level below the operating segment. The annual, or interim, goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit.

The Company has the option to perform a qualitative assessment for reporting units to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of one or more of its reporting units is greater than its carrying amount. If, after assessing the totality of events or circumstances, the Company determines it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, there is no need to perform any further testing. However, if the Company concludes otherwise, then it is required to perform a quantitative impairment test by calculating the fair value of the reporting unit and comparing the fair value with the carrying amount of the reporting unit. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded based on that difference. Alternatively, the Company has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the quantitative goodwill impairment test. There were no impairment charges recorded in either fiscal year 2023 or 2022.

Foreign Currency Translation

The financial position and results of operations of the Company's international subsidiaries are determined using local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at the exchange rate in effect at each year-end. Statements of Operations accounts are translated at the average rate of exchange prevailing during each period. Translation adjustments arising from the use of differing exchange rates from period to period are included in the accumulated other comprehensive income (loss) account in stockholders' equity, other than translation adjustments on short-term intercompany balances, which are included in other income (expense). Gains and losses resulting from other foreign currency transactions are included in other income (expense). Intercompany receivable balances of a long-term investment nature are considered part of the Company's permanent investment in a foreign jurisdiction and the gains or losses on such balances are reported in other comprehensive income (loss).

Comprehensive Income

Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. The Company's other comprehensive income is primarily comprised of foreign currency translation adjustments, which relate to investments that are permanent in nature.

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NOTE 3 – DISAGGREGATED REVENUE

The Company's revenues for the years ended December 31, 2023 and 2022 were as follows:

	December 31,	
	2023	2022
RPO	\$ 78,468	\$ 97,700
Contracting	82,870	103,217
Total Revenue	<u>\$ 161,338</u>	<u>\$ 200,917</u>

NOTE 4 – ACCOUNTS RECEIVABLE, NET

Accounts receivable balances are composed of trade and unbilled receivables. Unbilled accounts receivable represent revenue recorded in advance of processing formal invoices pursuant to the completion of contract provisions and, generally, become billable at contractually specified dates. Unbilled receivables of \$5,163 and \$8,523 as of December 31, 2023 and 2022, respectively, are expected to be invoiced and collected within one year. The Company records accounts receivable when its right to consideration becomes unconditional. Contract assets primarily relate to our rights to consideration for services provided that they are conditioned on satisfaction of future performance obligations. Accounts receivable, net, are stated at the amount the Company expects to collect, which is net of estimated losses resulting from the inability of its customers to make required payments.

The Company generally establishes customer credit limits and estimates the allowance for credit losses on a country or geographic basis. Customer credit limits are based upon an initial evaluation of the customer's credit quality and we adjust that limit accordingly based upon ongoing credit assessments of the customer, including payment history and changes in credit quality. Consistent with our adoption of ASU 2016-13, effective January 1, 2023 (refer to Note 3 – Summary of Significant Accounting Policies), the allowance for expected credit losses is determined based on an assessment of past collection experience as well as consideration of current and future economic conditions and changes in our customer collection trends.

The following table summarizes the components of "Accounts receivable, net" as presented on the Consolidated Balance Sheets:

	As of December 31,	
	2023	2022
Accounts Receivable:		
Billed receivables	\$ 14,925	\$ 17,798
Unbilled receivables	5,163	8,523
Accounts Receivable, Gross	<u>\$ 20,088</u>	<u>\$ 26,321</u>
Allowance for expected credit losses	(378)	(51)
Accounts Receivable, Net	<u>\$ 19,710</u>	<u>\$ 26,270</u>

The following table summarizes the total provision for expected credit losses and write-offs:

	For The Year Ended December 31,	
	2023	2022
Beginning balance	\$ 51	\$ 196
Provision for expected credit losses	483	26
Write-offs and other	(207)	(171)
Cumulative-effect adjustment from adoption of ASU 2016-13, Credit Losses	51	—
Ending Balance	<u>\$ 378</u>	<u>\$ 51</u>

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NOTE 5 – ACQUISITIONS

Hudson Global Resources (Singapore) Pte. Ltd.

On October 31, 2023, the Company entered into a share purchase agreement by and among, Hudson RPO Limited, a wholly owned subsidiary of the Company (“Buyer”), and Hudson Global Resources (Australia) Pty Limited (“Seller”), and completed the acquisition by Hudson RPO Limited of all of the shares of Hudson Global Resources (Singapore) Pte. Ltd. (“Singapore Acquisition”).

Hudson Singapore is a provider of recruitment services primarily to clients operating in Singapore, with a 30-year track record of senior placements and project recruitment work across Southeast Asia including Singapore, Malaysia, the Philippines, Vietnam, Thailand, and Indonesia.

In connection with the Singapore Acquisition, Seller received \$2,546 in cash, subject to certain adjustments, at the closing of the Singapore Acquisition. Additionally, Seller has a contingent right to receive earn-out payments not to exceed approximately \$317, based upon the achievement of certain performance thresholds and subject to the satisfaction of certain conditions.

The Singapore Acquisition was accounted for as a business combination under the acquisition method of accounting. The purchase price of \$2,574, consisted of the amount paid in cash of \$2,546 and a preliminary working capital adjustment of \$28. Potential contingent earn-out payments of up to approximately \$317 were excluded from the purchase price as the associated revenue milestones were not achieved by the seller through December 2023. No fair value was assigned to the earn-out as the performance thresholds were not achieved. The purchase price, which included \$491 of cash and cash equivalents acquired, was allocated to the net tangible and intangible assets and liabilities based on their fair values on the acquisition date of October 31, 2023, with the excess recorded as goodwill. None of the goodwill is expected to be deductible for tax purposes. The Company’s goodwill represents the expected profit growth over time that is attributable to expanding our footprint and market share in Singapore and Southeast Asia.

The values assigned to the assets acquired and liabilities assumed are based on the fair value available and may be adjusted during the measurement period of up to 12 months from the date of acquisition as further information becomes available. Any changes in the fair values of the assets acquired and liabilities assumed during the measurement period may result in adjustments to goodwill. The Company incurred transaction costs related to the Singapore Acquisition of \$13 that were expensed as part of “Office and general”.

The Company’s Consolidated Statements of Operations for the year ended December 31, 2023 included revenue of \$493 and a net loss of \$93 from Hudson Singapore.

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Below is a summary of the fair value of the net assets acquired on the acquisition date based on external valuations at the date of the Singapore Acquisition.

	Fair Value
Assets Acquired:	
Cash and cash equivalents	\$ 491
Accounts receivable	753
Prepaid expenses and other assets	88
Property and equipment	9
Operating lease right-of-use assets	32
Deferred tax assets	766
Intangible assets	212
Goodwill	847
Assets Acquired	\$ 3,198
Liabilities Assumed:	
Accrued expenses and other current liabilities	\$ 580
Other long-term liabilities	44
Liabilities Assumed	\$ 624
Fair value of consideration transferred	\$ 2,574

Intangible assets are amortized on a straight-line basis over their estimated useful lives. The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives on the date of the Singapore Acquisition.

	Fair Value	Useful Life
Non-compete agreements	\$ 28	5 years
Customer lists	97	4 years
Trade name	87	5 years
Total identifiable assets	\$ 212	

Hunt & Badge Consulting Private Limited

On August 19, 2022, the Company entered into a share purchase agreement by and among Hudson RPO Limited, a wholly owned subsidiary of the Company (“HnB Buyer”), Hunt & Badge Consulting Private Limited (“Seller”), and certain principals of HnB, and completed the acquisition by HnB Buyer of all of the membership interests of the Seller (the “HnB Acquisition”).

HnB is a provider of recruitment services to customers operating in India. HnB partners with companies of all sizes, including well-known multinationals, across a variety of industries to help meet their talent procurement needs.

In connection with the HnB Acquisition, Seller received \$1,064 in cash, subject to certain adjustments, at the closing of the HnB Acquisition. Additionally, Seller has a contingent right to receive earn-out payments not to exceed \$350 in aggregate payable over an eighteen-month period, subject to the achievement of certain performance thresholds and, the satisfaction of certain conditions.

The HnB Acquisition was accounted for as a business combination under the acquisition method of accounting. The purchase price of \$1,260, which consists of the amount paid in cash of \$1,064, a working capital adjustment of \$46, net of an owner receivable of \$28, and contingent earn-out payments of up to \$350 (which such earn-out payments are contingent upon the achievement of certain revenue milestones through December 2023), was allocated to the net tangible and intangible assets

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and liabilities based on their fair values on the acquisition date of August 19, 2022, with the excess recorded as goodwill. None of the goodwill is expected to be deductible for tax purposes. The Company's goodwill represents the expected profit growth over time that is attributable to expanding our footprint and market share in India. The purchase price included \$314 of cash and cash equivalents acquired. As of December 31, 2023, the estimated fair value for the contingent earn-out payments that the Company classified as Level 3 in the fair value hierarchy was \$150, which is the agreed upon minimum payment. These fair value estimates are based on significant inputs not observed in the market and reflect our own assumptions (forecasted revenue) through December 31, 2023. No changes were made to the fair value after the business combination was completed.

In determining the fair value of the contingent consideration liability, the Company used an estimate based on a number of possible projections over the earn-out period. Given the short duration of the earn-out period, the fair value of contingent liability was measured on an undiscounted basis. The Company reassessed the fair value of the acquisition-related contingent consideration at each reporting period based on additional information as it became available. This contingent consideration was remeasured quarterly. If, as a result of remeasurement, the value of the contingent consideration changed, any charges or income would be marked to market and included in "Other income (expense), net" on the Company's Consolidated Statements of Operations. For the year ended December 31, 2023, no gains or losses were recognized in earnings for changes in the remeasurement of the contingent consideration.

The values assigned to the assets acquired and liabilities assumed were based on the fair value available and may be adjusted during the measurement period of up to 12 months from the date of acquisition as further information becomes available. Excluding the contingent consideration, any changes in the fair values of the assets acquired and liabilities assumed during the measurement period may result in adjustments to goodwill. The Company incurred transaction costs related to the HnB Acquisition of \$63 that were expensed as part of "Office and general". The Company's accounting for the business combination was completed as of December 31, 2022.

The Company's Consolidated Statements of Operations for the year ended December 31, 2023 included revenue of \$64 and a net loss of \$88 from HnB.

Below is a summary of the fair value of the net assets acquired on the acquisition date based on internal valuations at the date of the HnB Acquisition.

	Fair Value
Assets Acquired:	
Cash and cash equivalents	\$ 314
Accounts receivable	80
Prepaid expenses and other assets	77
Property and equipment	35
Intangible assets	150
Goodwill	687
Assets Acquired	\$ 1,343
Liabilities Assumed:	
Accrued expenses and other current liabilities	\$ 20
Other long-term liabilities	63
Liabilities Assumed	\$ 83
Fair value of consideration transferred	<u><u>\$ 1,260</u></u>

Intangible assets are amortized on a straight-line basis over their estimated useful lives. The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives on the date of the HnB Acquisition.

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	Fair Value	Useful Life
Non-compete agreements	\$ 40	3 years
Customer lists	60	3 years
Trade name	50	5 years
Total identifiable assets	<u>\$ 150</u>	

Karani, LLC

On October 29, 2021, the Company entered into a membership interest purchase agreement (the “MIPA”) by and among the Company, Hudson Global Resources Management, Inc. (“HGRM”), a wholly owned subsidiary of the Company, and Daniel Williams (“Williams”), and completed the acquisition (the “Karani Acquisition”) by HGRM of all of the membership interests of Karani, LLC, a Delaware limited liability company.

Karani partners with recruitment and staffing firms to assist with recruiting, sourcing, screening, onboarding, and other talent-related services across a variety of industries to customers primarily located in the United States. On the date of acquisition, Karani had approximately 560 employees in India and 120 employees in the Philippines.

As outlined in the MIPA, Williams received (i) \$6,805 in cash subject to certain adjustments set forth in the MIPA at the closing of the Karani Acquisition; and (ii) a non-interest bearing promissory note in the aggregate principal amount of \$2,000, payable in installments on the six-month and eighteen-month anniversaries of the closing date subject to the satisfaction of certain conditions as further described in the MIPA. There are no employment stipulations for Williams associated with the MIPA.

The Karani Acquisition was accounted for as a business combination under the acquisition method of accounting. The purchase price of \$8,673, which consists of the amount paid in cash of \$6,805, a promissory note of \$2,000, and a working capital credit of \$132, was allocated to the net tangible and intangible assets and liabilities based on their fair values on the acquisition date of October 29, 2021, with the excess recorded as goodwill. None of the goodwill is expected to be deductible for tax purposes. The Company’s goodwill represents the expected profit growth over time that is attributable to increasing our footprint and market share in India. The purchase price included \$737 of cash and cash equivalents acquired. The Company incurred transaction costs related to the acquisition of approximately \$200 that were expensed as part of Office and general on the Consolidated Statements of Operations. In addition to the purchase price, the Company agreed to pay a \$250 retention payment to the Chief Financial Officer of Karani, which is classified as compensation expense, recorded on a straight-line basis. The Company’s accounting for the business combination was completed as of December 31, 2021.

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Included in the Company's Consolidated Statements of Operations for the year ended December 31, 2023 and 2022 are revenue of \$5,985 and a net loss of \$811, and revenue of \$9,954 and net income of \$944, respectively.

Below is a summary of the fair value of the net assets acquired on the acquisition date based on external valuations at the date of acquisition.

	Fair Value
Assets Acquired:	
Cash and cash equivalents	\$ 737
Accounts receivable	1,521
Restricted cash, current	50
Prepaid expenses and other assets	177
Property and equipment	119
Operating lease right-of-use assets	100
Restricted cash	3
Other long-term assets	19
Intangible assets	4,540
Goodwill	2,131
Assets Acquired	\$ 9,397
Liabilities Assumed:	
Accrued expenses and other current liabilities	\$ 436
Operating lease obligations, current	88
Operating lease obligations, non-current	12
Other long-term liabilities	188
Liabilities Assumed	\$ 724
Fair value of consideration transferred	\$ 8,673

Intangible assets are amortized on a straight-line basis over their estimated useful lives. The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives on date of acquisition.

	Fair Value	Useful Life
Developed technology	\$ 640	3 years
Customer lists	2,800	6 years
Trade name	1,100	10 years
Total identifiable assets	\$ 4,540	

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NOTE 6 – STOCK-BASED COMPENSATION

Equity Compensation Plans

The Company maintains the Hudson Global, Inc. 2009 Incentive Stock and Awards Plan, as amended and restated on May 24, 2016 and further amended on September 14, 2020 and May 17, 2022 (the “ISAP”), pursuant to which it can issue equity-based compensation incentives to eligible participants. The ISAP permits the granting of stock options, restricted stock, restricted stock units, and other types of equity-based awards. The Compensation Committee (the “Compensation Committee”) of the Board of Directors (the “Board”) will establish such conditions as it deems appropriate on the granting or vesting of stock options, restricted stock, restricted stock units and other types of equity-based awards. As determined by the Compensation Committee, equity awards may also be subject to immediate vesting upon the occurrence of certain events including death, disability, retirement or a change in control of the Company. When we make grants of restricted stock or restricted stock units to our executive officers, including the named executive officers, we enter into Restricted Stock Agreements and Restricted Stock Unit Agreements with such executive officers that contain provisions that are triggered upon a termination of an executive officer or a change in control of our Company. For awards of restricted stock granted beginning on November 6, 2015, effective upon a change in control of our Company, if the executive is employed by us or an affiliate of ours immediately prior to the date of such change in control and is subsequently terminated within 12 months following the date of such change in control, the shares of restricted stock will fully vest and the restrictions imposed upon the restricted stock will be immediately deemed to have lapsed. For awards of restricted stock units granted beginning on March 10, 2016, effective upon a change in control of our Company, if the executive is employed by us or an affiliate of ours immediately prior to the date of such change in control and is subsequently terminated within 12 months following the date of such change in control, the restricted stock units will fully vest and the restrictions imposed upon the restricted stock units will be immediately deemed to have lapsed. The Company primarily grants restricted stock and restricted stock units to its employees. A restricted stock unit is equivalent to one share of the Company’s common stock and is payable only in common stock of the Company issued under the ISAP.

The Compensation Committee administers the ISAP and may designate any of the following as a participant under the ISAP: any officer or other employee of the Company or its affiliates or individuals engaged to become an officer or employee, consultants, or other independent contractors who provide services to the Company or its affiliates, and non-employee directors of the Company. On May 17, 2022, the Company’s stockholders at the 2022 Annual Meeting of Stockholders approved amendments to the ISAP to, among other things, increase the number of shares of the Company’s common stock that are reserved for issuance by 250,000 shares. As of December 31, 2023, there were 150,307 shares of the Company’s common stock available for future issuance under the ISAP.

During the year 2023, the Company granted 28,841 restricted stock units subject to performance vesting conditions for the year ended December 31, 2023 and granted 1,250 of discretionary time-vested restricted stock units to certain employees that were not subject to performance conditions for the year ended December 31, 2023. Additionally, 65,105 time-vested restricted stock units were granted to the Global Chief Executive Officer at Hudson RPO. In the previous year, 2022, the Company granted 50,160 restricted stock units subject to performance vesting conditions and granted an additional 5,250 of discretionary time-vested restricted stock units to certain employees that were not subject to performance conditions for the year ended December 31, 2022.

A summary of the quantity and vesting conditions for stock-based units granted to the Company’s employees for the year ended December 31, 2023 was as follows:

Vesting conditions	Number of Restricted Stock Units Granted
Performance and service conditions - Type 1 ^{(1) (2)}	7,736
Performance and service conditions - Type 2 ^{(1) (2)}	21,105
Service conditions only - Type 1 ⁽²⁾	66,355
Total shares of stock award granted	95,196

(1) The performance conditions with respect to restricted stock units may be satisfied as follows:

- (a) For grants to Corporate office employees subject to 2023 performance conditions, 100% of the restricted stock units may be earned on the basis of performance as measured by a “group adjusted EBITDA”.

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- (2) To the extent restricted stock units are earned, such restricted stock units will vest on the basis of service as follows:
- (a) 33% and 66.6% for Type 1 and Type 2, respectively, of the restricted stock units will vest on the first anniversary of the grant date;
 - (b) 33% and 16.7% for Type 1 and Type 2, respectively, of the restricted stock units will vest on the second anniversary of the grant date; and
 - (c) 34% and 16.7% for Type 1 and Type 2, respectively, of the restricted stock units will vest on the third anniversary of the grant date; provided that, in each case, the employee remains employed by the Company from the grant date through the applicable service vesting date.

The Company also maintains the Director Deferred Share Plan (the “Director Plan”) as part of the ISAP pursuant to which it can issue restricted stock units to its non-employee directors. A restricted stock unit is equivalent to one share of the Company’s common stock and is payable only in common stock issued under the ISAP upon a director ceasing service as a member of the Company’s Board. The restricted stock units vest immediately upon grant and are credited to each of the non-employee director’s retirement accounts under the Director Plan. Restricted stock units issued under the Director Plan contain the right to a dividend equivalent award in the form of additional restricted stock units. The dividend equivalent award is calculated using the same rate as the cash dividend paid on a share of the Company’s common stock, and then divided by the closing price of the Company’s common stock on the date the dividend is paid to determine the number of additional restricted stock units to grant. Dividend equivalent awards have the same vesting terms as the underlying awards. During the years ended December 31, 2023 and 2022, the Company granted 20,728 and 10,084 restricted stock units to its non-employee directors pursuant to the Director Plan, respectively.

As of December 31, 2023, 264,144 restricted stock units are deferred under the Company’s ISAP.

On October 1, 2020, the Company granted 52,226 restricted shares of common stock to be issued over 30 months in connection with its acquisition of Coit Staffing, Inc. Accordingly, for the years ended December 31, 2023 and 2022, the Company recognized \$16 and \$108 in stock-based compensation. See Note 5 for additional information.

For the years ended December 31, 2023 and 2022, the Company’s stock-based compensation expense related to restricted stock units and restricted shares of common stock, which are included in the accompanying Consolidated Statements of Operations, were as follows:

	For The Year Ended December 31,	
	2023	2022
Restricted shares of common stock	\$ 16	\$ 108
Restricted stock units	1,453	2,210
Total	\$ 1,469	\$ 2,318

As of December 31, 2023 and 2022, the Company’s unrecognized compensation expense and the weighted average periods over which the compensation expense is expected to be recognized relating to the unvested portion of the Company’s restricted stock unit awards, were as follows:

	As of December 31,			
	2023		2022	
	Unrecognized Expense	Weighted Average Period in Years	Unrecognized Expense	Weighted Average Period in Years
Restricted shares of common stock	\$ —	0	\$ 16	0.2
Restricted stock units	\$ 1,346	0.9	\$ 1,519	0.8

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Restricted Stock Units

Changes in the Company's restricted stock units arising from grants to certain employees and non-employee directors for the years ended December 31, 2023 and 2022 were as follows:

Year Ended December 31, 2023						
	Performance-based		Time-based/Director		Total	
	Number of Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value	Number of Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value	Number of Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value
Unvested restricted stock units at January 1	130,186	\$ 23.56	33,390	\$ 20.31	163,576	\$ 22.89
Granted	28,841	\$ 22.27	87,083	\$ 15.76	115,924	\$ 17.39
Shares earned above target (a)	3,940	\$ 35.72	—	\$ —	3,940	\$ 35.72
Vested	(58,834)	\$ 22.10	(36,321)	\$ 18.06	(95,155)	\$ 20.56
Forfeited	(8,869)	\$ 35.10	(3,730)	\$ 18.26	(12,599)	\$ 30.11
Unvested restricted stock units at December 31	<u>95,264</u>	\$ 23.49	<u>80,422</u>	\$ 16.50	<u>175,686</u>	\$ 20.29

- (a) The number of shares earned above target are based on the performance targets established by the Compensation Committee at the initial grant date.

Year Ended December 31, 2022						
	Performance-based		Time-based/Director		Total	
	Number of Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value	Number of Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value	Number of Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value
Unvested restricted stock units at January 1	121,393	\$ 15.88	46,500	\$ 17.15	167,893	\$ 16.23
Granted	50,160	\$ 35.37	15,334	\$ 35.92	65,494	\$ 35.50
Shares earned above target (a)	36,884	\$ 16.70	—	\$ —	36,884	\$ 16.70
Vested	(78,251)	\$ 15.99	(24,769)	\$ 24.68	(103,020)	\$ 18.08
Forfeited	—	\$ —	(3,675)	\$ 16.04	(3,675)	\$ 16.04
Unvested restricted stock units at December 31	<u>130,186</u>	\$ 23.56	<u>33,390</u>	\$ 20.31	<u>163,576</u>	\$ 22.89

- (a) The number of shares earned above target are based on the performance targets established by the Compensation Committee at the initial grant date.

The total fair value of restricted stock units vested during the years ended December 31, 2023 and 2022 were as follows:

	For The Year Ended December 31,	
	2023	2022
Fair value of restricted stock units vested	\$ 1,976	\$ 3,311

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Shares of Common Stock

Changes in the Company's restricted shares of common stock were as follows:

	For The Year Ended December 31,			
	2023		2022	
	Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value	Shares of Restricted Stock Units	Weighted Average Grant-Date Fair Value
Unvested restricted shares of common stock units at January 1	17,410	\$ 9.57	34,818	\$ 9.57
Vested	(17,410)	\$ 9.57	(17,408)	\$ 9.57
Unvested restricted shares of common stock units at December 31	—	\$ —	17,410	\$ 9.57

The total fair value of restricted shares of common stock during the years ended December 31, 2023 and 2022 were as follows:

	For The Year Ended December 31,	
	2023	2022
Fair value of restricted shares of common stock vested	\$ —	\$ 675

NOTE 7 – INCOME TAXES

Income Tax Provision

The domestic and foreign components of net income before provision for income taxes is as follows:

	Year ended December 31,	
	2023	2022
Domestic	\$ (4,736)	\$ 4,301
Foreign	7,304	5,159
Income before provision for income taxes	\$ 2,568	\$ 9,460

The components of the provision for (benefit from) income taxes are as follows:

	Year ended December 31,	
	2023	2022
Current tax provision (benefit):		
U.S. Federal	\$ —	\$ —
State and local	52	58
Foreign	1,410	2,506
Total current provision for (benefit from) income taxes	1,462	2,564
Deferred tax provision (benefit):		
U.S. Federal	—	—
State and local	—	—
Foreign	(1,092)	(233)
Total deferred benefit from income taxes	(1,092)	(233)
Total provision for income taxes	\$ 370	\$ 2,331

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Tax Rate Reconciliation

The effective tax rate for the year ended December 31, 2023 was 14.4%, compared to 24.6% for 2022. The change in the Company's effective tax rate compared to 2022 is primarily related to recognition of deferred tax assets in Belgium and Canada, the reduction and effective lapsing of statutes for certain historic foreign uncertain tax positions and foreign tax rate differences, as well as changes in valuation allowances in the U.S. and certain foreign jurisdictions. For the year ended December 31, 2022, the effective tax rate difference from the U.S. federal statutory rate of 21% was primarily attributable to changes in valuations allowances in the U.S. and certain foreign subsidiaries, which reduces or eliminates the effective tax rate on current year profits or losses, foreign tax rate differences, and non-deductible expenses.

The following is a reconciliation of the effective tax rate for the years ended December 31, 2023 and 2022 to the U.S. federal statutory rate of 21%:

	Year ended December 31,	
	2023	2022
Provision at federal statutory rates	\$ 539	\$ 1,986
State income taxes, net of federal benefit	27	478
Change in valuation allowance	(1,974)	1,426
Taxes related to foreign income	1,706	1,763
Non-deductible expenses	(128)	36
Other federal deferred tax adjustments	23	68
Other state deferred tax adjustments	579	(3,444)
Uncertain tax positions	(402)	18
Provision for income taxes	<u>\$ 370</u>	<u>\$ 2,331</u>

Deferred Taxes Assets (Liabilities)

Deferred income taxes are provided for the tax effect of temporary differences between the financial reporting basis and the tax basis of assets and liabilities. Net deferred tax assets have been reported as non-current in the accompanying Consolidated Balance Sheets. Significant temporary differences at December 31, 2023 and 2022 are as follows:

	As of December 31,	
	2023	2022
Deferred tax assets (liabilities):		
Allowance for expected credit losses	\$ 121	\$ 58
Property and equipment	(269)	(163)
Goodwill and intangibles	634	527
Accrued compensation	2,368	2,768
Accrued liabilities and other	318	230
Loss carryforwards	183,641	183,407
Deferred tax assets before valuation allowance	186,813	186,827
Valuation allowance	(183,453)	(185,352)
Deferred tax assets, net of valuation allowance	<u>\$ 3,360</u>	<u>\$ 1,475</u>

As a result of the enactment of the Tax Act, the Company has provided tax on GILTI, and therefore, future repatriations of previously unremitted foreign earnings are expected to either be exempt from U.S. taxation or offset by net operating losses ("NOLs"). The Company has not provided any withholding tax with respect to unremitted foreign earnings at December 31, 2023 and December 31, 2022.

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Net Operating Losses (“NOLs”), Capital Losses, and Valuation Allowance

At December 31, 2023, the Company had losses for U.S. federal and state tax purposes of approximately \$680,553 in total, made up of net U.S. federal and state NOLs incurred through December 31, 2023 of \$301,890 and U.S. federal and state capital losses of \$378,663 as a result of the sale of all of our RTM businesses in three separate transactions, which was completed on March 31, 2018. The NOLs include approximately \$13,144 of tax losses that were not absorbed by Monster Worldwide, Inc. (“Monster”) on its consolidated U.S. federal tax returns through the spin-off of the Company on April 1, 2003. U.S. federal and state NOLs through December 31, 2017 expire at various dates through 2037 with \$65,466 scheduled to expire at the end of 2023. U.S. federal and state NOLs incurred in or after 2018 have an indefinite carryforward period, which can be offset by 80% of future taxable income in any given year. U.S. federal and state capital losses of \$378,663 incurred in 2018 will expire at the end of 2023, as these losses have a five-year carryforward period.

The Company’s utilization of U.S. NOLs is subject to an annual limitation imposed by Section 382 of the Internal Revenue Code (“IRC”), which may limit our ability to utilize all the existing NOLs before the expiration dates. Based upon IRC Section 382 studies prepared by the Company, Section 382 ownership changes have occurred that will result in \$224,124 of the Company’s federal and state NOLs generated through September 2006 and recognized built-in losses during the five-year period after September 2006 being subject to IRC Section 382 limitations. As a result of IRC Section 382 limitations, \$27,848 of the \$224,124 NOLs that are limited are expected to expire prior to utilization specifically as a result of the IRC Section 382 cumulative annual limitations. Accordingly, the U.S. federal and state NOLs of \$301,890, as indicated above, excluded the \$27,848 of tax losses expected to expire prior to utilization due to IRC Section 382 cumulative annual limitations and the deferred tax asset for loss carryforwards of \$180,101 also excluded \$7,545 of related tax benefits.

As of December 31, 2023, certain international subsidiaries had NOLs for local tax purposes of \$16,882. With the exception of \$9,667 of NOLs with an indefinite carry forward period as of December 31, 2023, these losses will expire at various dates through 2025 to 2040, with \$0 scheduled to expire during 2024. The deferred tax recognized for NOLs are presented net of unrecognized tax benefits, where applicable.

ASC 740-10-30-5 requires that a valuation allowance be established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. In making this assessment, management considers the level of historical taxable income, scheduled reversals of deferred tax liabilities, tax planning strategies, and projected future taxable income. As of December 31, 2023, \$181,182 of the valuation allowance relates to the deferred tax asset was comprised of NOLs for U.S. capital losses of \$98,308, U.S. federal and state NOLs of \$81,793, and foreign NOLs of \$1,081, that management has determined will more likely than not expire prior to realization. The remaining valuation allowance of \$2,271 relates to deferred tax assets on U.S. and foreign temporary differences that management estimates will not be realized due to the Company’s U.S. and foreign tax losses.

Uncertain Tax Positions

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest and penalties is as follows:

	2023	2022
Balance, beginning of year	\$ 360	\$ 360
Additions for tax positions of current years	—	—
Additions for tax positions of prior years	—	—
Reductions for tax positions of prior years	—	—
Expiration of applicable statutes of limitations	(300)	—
Balance, end of year	<u>\$ 60</u>	<u>\$ 360</u>

The total amount of state and local and foreign unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$60 and \$360 as of December 31, 2023 and December 31, 2022, exclusive of interest and penalties.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits as part of the provision for income taxes. As of December 31, 2023 and December 31, 2022, the Company had \$27 and \$129, respectively, of accrued interest and penalties associated with unrecognized tax benefits.

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Based on information available as of December 31, 2023, it is reasonably possible that the total amount of unrecognized tax benefits will decrease by \$0 over the next 12 months as a result of projected resolutions of global tax examinations and controversies and potential lapses of the applicable statutes of limitations.

In many cases, the Company's unrecognized tax benefits are related to tax years that remain subject to examination by the relevant tax authorities. Tax years with NOLs remain open until such losses expire or the statutes of limitations for those years when the NOLs are used or expire. As of December 31, 2023, the Company's open tax years which remain subject to examination by the relevant tax authorities, are between 2015 and 2023, depending on the jurisdiction.

The Company believes that its unrecognized tax benefits as of December 31, 2023 are appropriately recorded for all years subject to examination above.

NOTE 8 – EARNINGS (LOSS) PER SHARE

A reconciliation of the numerators and denominators of the basic and diluted earnings per share calculations were as follows:

	For The Year Ended December 31,	
	2023	2022
Earnings per share (“EPS”):		
Basic	\$ 0.72	\$ 2.37
Diluted	\$ 0.70	\$ 2.27
EPS numerator - basic and diluted:		
Net income	\$ 2,198	\$ 7,129
EPS denominator (in thousands):		
Weighted average common stock outstanding - basic	3,064	3,011
Common stock equivalents: stock options and restricted stock units	76	127
Weighted average number of common stock outstanding - diluted	<u>3,140</u>	<u>3,138</u>

The weighted average number of shares outstanding used in the computation of diluted net income per share for the years ended December 31, 2023 and 2022 did not include the effect of the following potentially outstanding shares of common stock because the effect would have been anti-dilutive:

	For The Year Ended December 31,	
	2023	2022
Unvested restricted stock units	247	17,885
Unvested restricted shares of common stock	—	—
Total	<u>247</u>	<u>17,885</u>

NOTE 9– GOODWILL AND INTANGIBLE ASSETS

Goodwill

The Company recorded goodwill of \$847 on October 31, 2023 in connection with the Singapore Acquisition and \$687 on August 19, 2022 in connection with the HnB Acquisition. (See Note 5 for further information on the Singapore Acquisition and the HnB Acquisition).

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For the years ended December 31, 2023 and 2022, the changes in carrying amount of goodwill were as follows:

	Carrying Value	
	2023	2022
Goodwill, January 1	\$ 4,875	\$ 4,219
Acquisition	847	687
Currency translation	27	(31)
Goodwill, December 31	<u>\$ 5,749</u>	<u>\$ 4,875</u>

On October 1, 2023, the Company applied ASC 350, and performed quantitative assessments to determine whether it was more likely than not that the fair value of its reporting units was less than their carrying values. To estimate the fair value of these reporting units, the Company used both an income approach and a market approach. The income approach required management to make significant estimates and judgments regarding future cash flows that were based on a number of factors including actual operating results, forecasted revenue and expenses, discount rate assumptions, and long-term growth rate assumptions. The market approach required the use of multiples based on financial metrics for both acquisitions and peer group companies. The Company did not recognize any impairment of goodwill related to these acquisitions. At the conclusion of its assessment, the Company determined the fair value of the reporting units exceeded their carrying values. As such, the Company determined that no impairment of goodwill had taken place as of December 31, 2023.

Intangible Assets

For the years ended December 31, 2023 and 2022, the Company's Intangible assets consisted of the following components:

2023	Weighted Average Remaining Amortization Useful Lives (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Non-compete agreements	3.4	\$ 147	\$ (98)	\$ 49
Trade name	6.7	1,638	(515)	1,123
Customer lists	3.5	3,957	(1,690)	2,267
Developed technology	0.9	657	(468)	189
		<u>\$ 6,399</u>	<u>\$ (2,771)</u>	<u>\$ 3,628</u>

2022	Weighted Average Remaining Amortization Useful Lives (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Non-compete agreements	0.9	\$ 118	\$ (85)	\$ 33
Trade name	7.1	1,548	(312)	1,236
Customer lists	4.3	3,857	(1,001)	2,856
Developed technology	1.8	640	(249)	391
		<u>\$ 6,163</u>	<u>\$ (1,647)</u>	<u>\$ 4,516</u>

Amortization expense for the years ended December 31, 2023 and 2022 was \$1,124 and \$1,115, respectively. Intangible assets are amortized on a straight-line basis over their estimated useful lives. No impairment in the value of amortizable intangible assets was recognized during the years ended December 31, 2023 or 2022.

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Estimated future amortization expense for intangible assets for the remainder of the fiscal year ending December 31, 2023, and for each of the next fiscal years are as follows:

2024	\$ 1,130
2025	871
2026	635
2027	550
2028	129
Thereafter	313
	<u>\$ 3,628</u>

The change in the book value of amortizable intangible assets is as follows:

	January 1, 2023 Beginning Balance	Acquisition	Amortization	Translation and Other	December 31, 2023 Ending Balance
Non-compete agreements	\$ 33	\$ 28	\$ (14)	\$ 2	\$ 49
Trade name	1,236	87	(202)	2	1,123
Customer lists	2,856	97	(689)	3	2,267
Developed technology	391	—	(219)	17	189
	<u>\$ 4,516</u>	<u>\$ 212</u>	<u>\$ (1,124)</u>	<u>\$ 24</u>	<u>\$ 3,628</u>

	January 1, 2022 Beginning Balance	Acquisition	Amortization	Translation and Other	December 31, 2022 Ending Balance
Non-compete agreements	\$ 30	\$ 40	\$ (35)	\$ (2)	\$ 33
Trade name	1,382	50	(194)	(2)	1,236
Customer lists	3,472	60	(673)	(3)	2,856
Developed technology	604	—	(213)	—	391
	<u>\$ 5,488</u>	<u>\$ 150</u>	<u>\$ (1,115)</u>	<u>\$ (7)</u>	<u>\$ 4,516</u>

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NOTE 10 – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

As of December 31, 2023 and 2022, the Company’s accrued expenses and other current liabilities consisted of the following:

	December 31,	
	2023	2022
Severance	\$ —	\$ 75
Sales, use, payroll taxes and income taxes	2,184	3,231
Fees for professional services	1,000	813
Deferred revenue	96	170
Other accruals	1,355	2,059
Total accrued expenses and other current liabilities	<u>\$ 4,635</u>	<u>\$ 6,348</u>

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Litigation and Complaints

The Company is subject, from time to time, to various claims, lawsuits, contracts disputes and other complaints from, for example, clients, candidates, suppliers, landlords for leased properties, former and current employees, and regulators or tax authorities arising in the ordinary course of business. The Company routinely monitors claims such as these, and records provisions for losses when the claim becomes probable and the amount due is estimable. Although the outcome of these claims cannot be determined, the Company believes that the final resolution of these matters will not have a material adverse effect on the Company’s financial condition, results of operations or liquidity.

For matters that reach the threshold of probable and estimable, the Company establishes reserves for legal, regulatory and other contingent liabilities. The Company did not have any legal reserves as of December 31, 2023 and 2022.

Operating Leases

Our office space leases have remaining lease terms of one year to four years. Some of these operating leases include options to extend the lease terms, and some operating leases include options to terminate the leases earlier than the expiration of the full terms. These options are considered in our determination of the valuation of our right-of-use assets and lease liabilities.

None of our operating leases include implicit rates, and we have determined that the difference between the contractual cost basis and the present value of lease payments calculated using incremental borrowing rates is not material. Our operating lease costs for the years ended December 31, 2023 and 2022 were \$1,223 and \$1,177, respectively (reflected in Net cash used in operating activities). The weighted average remaining lease term of our operating leases as of December 31, 2023 was 2.0 years.

As of December 31, 2023, future minimum operating lease payments are as follows:

	2024	2025	2026	2027	Total
Minimum lease payments	\$ 768	\$ 564	\$ 92	\$ 8	\$ 1,432

As of December 31, 2022, future minimum operating lease payments for capitalized leases due in 2023 was \$685.

Invoice Finance Credit Facility

On April 8, 2019, the Company’s Australian subsidiary (“Australian Borrower”) entered into an invoice finance credit facility agreement (the “NAB Facility Agreement”) with National Australia Bank Limited (“NAB”). The NAB Facility Agreement provides the Australian Borrower with the ability to borrow funds based on a percentage of eligible trade receivables up to a maximum of 4 million Australian dollars. No receivables have terms greater than 90 days, and any risk of loss is retained by the Australian Borrower. The interest rate is calculated as the variable receivable finance indicator rate, plus

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a margin of 1.60% per annum. Borrowings under this facility are secured by substantially all of the assets of the Australian Borrower. The NAB Facility Agreement does not have a stated maturity date and can be terminated by either the Australian Borrower or NAB upon 90 days written notice. As of December 31, 2023 and 2022, there were no amounts outstanding under the NAB Facility Agreement. Interest expense and fees incurred on the NAB Facility Agreement were \$17 and \$18 for the years ended December 31, 2023 and 2022, respectively.

The NAB Facility Agreement contains various restrictions and covenants for the Australian Borrower including (1) that EBITDA must be at least two times total interest paid on debt on a 12-month rolling basis; (2) minimum tangible net worth must be at least 2.5 million Australian dollars and be equal to at least 25% of total tangible assets on June 30 and December 31 (as defined in the NAB Facility Agreement); and (3) additional periodic reporting requirements to NAB. The Company was in compliance with all financial covenants under the NAB Facility Agreement as of December 31, 2023.

Amounts borrowed from the NAB Facility may be large, contain short maturities and have quick turnovers. Amounts borrowed and repaid are presented on a net basis on the Consolidated Statements of Cash Flows.

On May 25, 2022, Hudson Global Resources (Singapore) Pte. Ltd. ("Singapore Borrower"), which the Company acquired on October 31, 2023 (see Note 5 to the Consolidated Financial Statements in Item 8), and the Hong Kong and Shanghai Banking Corporation Limited ("HSBC"), entered into an invoice finance credit facility agreement (the "HSBC Facility Agreement"). The HSBC Facility Agreement allows the Singapore Borrower to borrow funds up to a maximum of 1 million Singapore dollars, based on a percentage of eligible trade receivables. All receivables have a term of no more than 60 days, and any risk of loss is borne by the Singapore Borrower. The interest rate is calculated as the bank's external cost of capital, plus a margin of 3.5% per annum. The HSBC Facility Agreement does not have a stated maturity date. As of December 31, 2023, there were no outstanding amounts under the HSBC Facility Agreement. The interest expense and fees incurred on the HSBC Facility Agreement amounted to 4 for the year ending December 31, 2023. The Company was in compliance with all financial covenants under the HSBC Facility Agreement as of December 31, 2023.

The HSBC Facility Agreement contains various restrictions and covenants for the Singapore Borrower including (1) minimum tangible net worth must be at least 1 million Singapore dollars (as defined in the HSBC Facility Agreement); and (2) additional periodic reporting requirements to HSBC. The Company was in compliance with all financial covenants under the HSBC Facility Agreement as of December 31, 2023.

NOTE 12 – STOCKHOLDERS' EQUITY

Common Stock

On July 30, 2015, the Company announced that its Board authorized the repurchase of up to \$10,000 of the Company's common stock. On August 8, 2023, the Company's Board of Directors authorized a new stock repurchase program for up to \$5,000 of the Company's outstanding shares of common stock. The Company has repurchased shares from time to time as market conditions warrant. This authorization does not expire. Under the new stock repurchase program, the Company intends to repurchase shares through open market purchases, privately negotiated transactions, block purchases, or otherwise in accordance with applicable federal securities laws, including Rule 10b-18 of the Securities Exchange Act of 1934 (the "Exchange Act").

For the year ended December 31, 2023, the Company repurchased a total of 48,234 shares of its common stock on the open market for a cost of \$959. Of these shares, 27,277 shares were repurchased under the July 30, 2015 authorization for \$573, and 20,957 were repurchased under the August 8, 2023 authorization for \$386. In the same period last year, the Company repurchased 32,615 shares of its common stock on the open market for \$1,131 under the July 30, 2015 authorization.

As of December 31, 2023, under the July 30, 2015 and August 8, 2023 authorizations combined, the Company had repurchased an aggregate of 513,412 shares for a total cost of \$10,387, completing the July 30, 2015 authorization and leaving \$4,614 available for purchase under the August 8, 2023 authorization.

The Company cannot predict when or if it will repurchase any shares of common stock as such stock repurchase program will depend on a number of factors, including constraints specified in any Rule 10b5-1 trading plans, price, general business and market conditions, and alternative investment opportunities. Information regarding share repurchases will be available in the Company's periodic reports on Form 10-Q and 10-K filed with the Securities and Exchange Commission as required by the applicable rules of the Exchange Act.

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NOTE 13 – ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

Accumulated other comprehensive (loss) income, net of tax, consisted of the following:

	December 31,	
	2023	2022
Foreign currency translation adjustments	\$ (1,290)	\$ (1,639)
Accumulated other comprehensive loss	\$ (1,290)	\$ (1,639)

NOTE 14– SHELF REGISTRATION STATEMENT

On June 30, 2022, the Company filed a shelf registration on Form S-3 with the SEC. Under the Form S-3, the Company may offer, issue and sell, from time to time, in one or more offerings and series, together or separately, shares of its common stock, shares of preferred stock, debt securities, subscription rights, purchase contracts, or units, which together shall have an aggregate initial offering price not to exceed \$100,000,000. The registration statement was declared effective by the SEC on July 26, 2022. As of December 31, 2023, no securities had been offered or issued under the registration statement.

NOTE 15 – STOCKHOLDER RIGHTS PLAN

On October 15, 2018, the Company’s Board of Directors declared a dividend to the Company’s stockholders of record as of the close of business on October 25, 2018 (the “Record Date”), for each outstanding share of the Company’s common stock, of one right (a “Right”) to purchase one one-hundredth of a share of a new series of participating preferred stock of the Company. The terms of the Rights are set forth in the Rights Agreement, dated as of October 15, 2018 (as amended, the “Rights Agreement”), by and between the Company and Computershare Trust Company, N.A., as rights agent (the “Rights Agent”). The Company’s stockholders approved the Rights Agreement at the Company’s 2019 Annual Meeting of Stockholders held on May 6, 2019. On September 28, 2021, the Company and the Rights Agent entered into a First Amendment to Rights Agreement (the “Amendment”) that amended the Rights Agreement to extend its term through October 15, 2024. The amendment was approved by the Board on September 28, 2021, subject to stockholder approval, and the Company’s stockholders approved the Amendment at the Company’s 2022 Annual Meeting of Stockholders held on May 17, 2022.

Each Right allows its holder to purchase from the Company one one-hundredth of a share of the Company’s Series B Junior Participating Preferred Stock (“Series B Preferred Stock”) for a purchase price of \$3.50. Each fractional share of Series B Preferred Stock would give the stockholder approximately the same dividend, voting and liquidation rights as does one share of common stock. Prior to exercise, however, a Right does not give its holder any dividend, voting or liquidation rights.

The Board entered into the Rights Agreement in an effort to preserve the value of the Company’s significant U.S. NOLs and other tax benefits. The Company’s ability to utilize its NOLs may be substantially limited if the Company experiences an “ownership change” within the meaning of Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”). In general, an “ownership change” would occur if the percentage of the Company’s ownership by one or more “5-percent shareholders” (as defined in the Code) increases by more than 50 percent over the lowest percentage owned by such stockholders at any time during the prior three years. The Rights Agreement is designed to preserve the Company’s tax benefits by deterring transfers of common stock that could result in an “ownership change” under Section 382 of the Code.

The Rights Agreement replaced the Company’s prior rights agreement designed to preserve the value of the Company’s NOLs, which was approved by stockholders in 2015 and expired in accordance with its terms in January 2018. The Company also has a provision in its Amended and Restated Certificate of Incorporation (the “Charter Provision”) which generally prohibits transfers of its common stock that could result in an ownership change. In general terms, the Rights Agreement imposes a significant penalty upon any person or group that acquires beneficial ownership (as defined under the Rights Agreement) of 4.99% or more of the outstanding common stock without the prior approval of the Board (an “Acquiring Person”). Any Rights held by an Acquiring Person are void and may not be exercised.

The Rights will not be exercisable until the earlier of (i) 10 days after a public announcement by the Company that a person or group has become an Acquiring Person; and (ii) 10 business days (or a later date determined by the Board) after a

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person or group begins a tender or an exchange offer that, if completed, would result in that person or group becoming an Acquiring Person.

Until the date that the Rights become exercisable (the “Distribution Date”), common stock certificates will also evidence the Rights and will contain a notation to that effect. Any transfer of shares of common stock prior to the Distribution Date will constitute a transfer of the associated Rights. After the Distribution Date, the Rights will separate from the common stock and be evidenced by Right certificates, which the Company will mail to all holders of Rights that have not become void. After the Distribution Date, if a person or group already is or becomes an Acquiring Person, all holders of Rights, except the Acquiring Person, may exercise their Rights upon payment of the purchase price to purchase shares of common stock (or other securities or assets as determined by the Board) with a market value of two times the purchase price (a “Flip-in Event”). After the Distribution Date, if a Flip-in Event has already occurred and the Company is acquired in a merger or similar transaction, all holders of Rights, except the Acquiring Person, may exercise their Rights upon payment of the purchase price, to purchase shares of the acquiring or other appropriate entity with a market value of two times the purchase price of the Rights. Rights may be exercised to purchase Series B Preferred Stock only after the Distribution Date occurs and prior to the occurrence of a Flip-in Event as described above. A Distribution Date resulting from the commencement of a tender offer or an exchange offer as described in the second bullet point above could precede the occurrence of a Flip-in Event, in which case the Rights could be exercised to purchase Series B Preferred Stock. A Distribution Date resulting from any occurrence described in the first bullet point above would necessarily follow the occurrence of a Flip-in Event, in which case the Rights could be exercised to purchase shares of common stock (or other securities or assets) as described above.

The Rights will expire on the earliest of (i) October 15, 2024, or such earlier date as of which the Board determines that the Rights Agreement is no longer necessary for the preservation of the Company’s tax benefits, (ii) the time at which the Rights are redeemed, (iii) the time at which the Rights are exchanged, (iv) the effective time of the repeal of Section 382 of the Code if the Board determines that the Rights Agreement is no longer necessary for the preservation of the Company’s tax benefits, and (v) the first day of a taxable year to which the Board determines that no NOLs or other tax benefits may be carried forward.

The Board may redeem all (but not less than all) of the Rights for a redemption price of \$0.001 per Right at any time before the later of the Distribution Date and the date of the first public announcement or disclosure by the Company that a person or group has become an Acquiring Person. Once the Rights are redeemed, the right to exercise the Rights will terminate, and the only right of the holders of such Rights will be to receive the redemption price.

The Board may adjust the purchase price of the Series B Preferred Stock, the number of shares of Series B Preferred Stock issuable and the number of outstanding Rights to prevent dilution that may occur as a result of certain events, including, among others, a stock dividend, a stock split or a reclassification of the Series B Preferred Stock or common stock.

Before the time the Rights cease to be redeemable, the Board may amend or supplement the Rights Agreement without the consent of the holders of the Rights, except that no amendment may decrease the redemption price below \$0.001 per Right.

NOTE 16 – SEGMENT AND GEOGRAPHIC DATA

Segment Reporting

The Company operates in three reportable segments: the Hudson regional businesses of Americas, Asia Pacific, and Europe. Corporate expenses are reported separately for the three reportable segments and pertain to certain functions, such as executive management, corporate governance, investor relations, legal, accounting, tax, and treasury. A portion of these expenses are attributed to the reportable segments for providing the above services to them, and have been allocated to the segments as management service expenses, and are included in the segments’ non-operating other income (expense). Segment information is presented in accordance with ASC 280, “*Segment Reporting*.” This standard is based on a management approach that requires segmentation based upon the Company’s internal organization and disclosure of revenue and certain expenses based upon internal accounting methods. The Company’s financial reporting systems present various data for management to

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run the business, including internal profit and loss statements prepared on a basis not consistent with U.S. GAAP. Accounts receivable and long-lived assets are the only significant assets separated by segment for internal reporting purposes.

	Americas	Asia Pacific	Europe	Corporate	Inter-segment elimination	Total
<i>For the Year Ended December 31, 2023</i>						
Revenue, from external customers	\$ 31,254	\$ 103,857	\$ 26,227	\$ —	\$ —	\$ 161,338
Inter-segment revenue	326	—	(27)	—	(299)	—
Total revenue	<u>\$ 31,580</u>	<u>\$ 103,857</u>	<u>\$ 26,200</u>	<u>\$ —</u>	<u>\$ (299)</u>	<u>\$ 161,338</u>
Adjusted net revenue, from external customers ^(a)	<u>\$ 30,141</u>	<u>\$ 33,675</u>	<u>\$ 16,451</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 80,267</u>
Inter-segment adjusted net revenue	326	(208)	(84)	—	(34)	—
Total adjusted net revenue	<u>\$ 30,467</u>	<u>\$ 33,467</u>	<u>\$ 16,367</u>	<u>\$ —</u>	<u>\$ (34)</u>	<u>\$ 80,267</u>
EBITDA (loss) ^(b)	\$ (704)	\$ 5,859	\$ 1,582	\$ (3,074)	\$ —	\$ 3,663
Depreciation and amortization	(1,282)	(146)	(29)	(10)	—	(1,467)
Interest income, net	—	2	(1)	371	—	372
Intercompany interest (expense) income, net	—	(505)	—	505	—	—
Provision for income taxes	83	(1,524)	724	347	—	(370)
Net income (loss)	<u>\$ (1,903)</u>	<u>\$ 3,686</u>	<u>\$ 2,276</u>	<u>\$ (1,861)</u>	<u>\$ —</u>	<u>\$ 2,198</u>
<i>As of December 31, 2023</i>						
Accounts receivable, net	<u>\$ 5,502</u>	<u>\$ 9,280</u>	<u>\$ 4,928</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 19,710</u>
Long-lived assets, net of accumulated depreciation and amortization ^(c)	<u>\$ 7,773</u>	<u>\$ 1,954</u>	<u>\$ 33</u>	<u>\$ 38</u>	<u>\$ —</u>	<u>\$ 9,798</u>
Total assets	<u>\$ 17,632</u>	<u>\$ 23,604</u>	<u>\$ 11,064</u>	<u>\$ 8,658</u>	<u>\$ —</u>	<u>\$ 60,958</u>
	Americas	Asia Pacific	Europe	Corporate	Inter-segment elimination	Total
<i>For the Year Ended December 31, 2022</i>						
Revenue, from external customers	\$ 51,639	\$ 118,149	\$ 31,129	\$ —	\$ —	\$ 200,917
Inter-segment revenue	332	16	76	—	(424)	—
Total revenue	<u>\$ 51,971</u>	<u>\$ 118,165</u>	<u>\$ 31,205</u>	<u>\$ —</u>	<u>\$ (424)</u>	<u>\$ 200,917</u>
Adjusted net revenue, from external customers ^(a)	<u>\$ 48,990</u>	<u>\$ 34,278</u>	<u>\$ 15,942</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 99,210</u>
Inter-segment adjusted net revenue	294	(288)	11	—	(17)	—
Total adjusted net revenue	<u>\$ 49,284</u>	<u>\$ 33,990</u>	<u>\$ 15,953</u>	<u>\$ —</u>	<u>\$ (17)</u>	<u>\$ 99,210</u>
EBITDA (loss) ^(b)	\$ 4,877	\$ 7,282	\$ 1,501	\$ (2,905)	\$ —	\$ 10,755
Depreciation and amortization	(1,290)	(55)	(27)	(6)	—	(1,378)
Interest income, net	—	4	—	79	—	83
Intercompany interest (expense) income, net	—	(365)	—	365	—	—
(Provision for) benefit from income taxes	(144)	(1,961)	(157)	(69)	—	(2,331)
Net income (loss)	<u>\$ 3,443</u>	<u>\$ 4,905</u>	<u>\$ 1,317</u>	<u>\$ (2,536)</u>	<u>\$ —</u>	<u>\$ 7,129</u>
<i>As of December 31, 2022</i>						
Accounts receivable, net	<u>\$ 9,015</u>	<u>\$ 10,900</u>	<u>\$ 6,355</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 26,270</u>
Long-lived assets, net of accumulated depreciation and amortization ^(c)	<u>\$ 9,027</u>	<u>\$ 963</u>	<u>\$ 49</u>	<u>\$ 25</u>	<u>\$ —</u>	<u>\$ 10,064</u>
Total assets	<u>\$ 23,775</u>	<u>\$ 23,662</u>	<u>\$ 9,568</u>	<u>\$ 10,937</u>	<u>\$ —</u>	<u>\$ 67,942</u>

- (a) Adjusted net revenue are net of the Direct contracting costs and reimbursed expenses caption on the Consolidated Statements of Operations. Direct contracting costs and reimbursed expenses include the direct staffing costs of salaries, payroll taxes, employee benefits, travel expenses, and insurance costs for the Company's contractors and reimbursed out-of-pocket expenses and other direct costs. The region where services are provided, the mix of RPO and

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contracting, and the functional nature of the staffing services provided can affect operating income and EBITDA. The salaries, commissions, payroll taxes, and employee benefits related to recruitment professionals are included under the caption “Salaries and related” in the Consolidated Statements of Operations.

- (b) SEC Regulation S-K 229.10(e)1(ii)(A) defines EBITDA as earnings before interest, taxes, depreciation and amortization. EBITDA is presented to provide additional information to investors about the Company’s operations on a basis consistent with the measures that the Company uses to manage its operations and evaluate its performance. Management also uses this measurement to evaluate working capital requirements. EBITDA should not be considered in isolation or as a substitute for operating income and net income prepared in accordance with U.S. GAAP or as a measure of the Company’s profitability.
- (c) Comprised of property and equipment, intangible assets and goodwill, net of accumulated depreciation and amortization.

Geographic Data Reporting

A summary of revenues for the years ended December 31, 2023 and 2022 and net assets by geographic area as of December 31, 2023 and 2022 were as follows:

Information by geographic region	Australia	United Kingdom	United States	Other	Total
For the Year Ended December 31, 2023					
Revenue ^(a)	\$ 92,505	\$ 24,810	\$ 29,333	\$ 14,690	\$ 161,338
For the Year Ended December 31, 2022					
Revenue ^(a)	\$ 106,684	\$ 29,421	\$ 49,168	\$ 15,644	\$ 200,917
As of December 31, 2023					
Long-lived assets, net ^(b)	\$ 49	\$ 33	\$ 7,811	\$ 1,905	\$ 9,798
Net assets	\$ 9,634	\$ 5,084	\$ 22,585	\$ 11,251	\$ 48,554
As of December 31, 2022					
Long-lived assets, net ^(b)	\$ 74	\$ 49	\$ 9,070	\$ 871	\$ 10,064
Net assets	\$ 8,744	\$ 3,529	\$ 25,204	\$ 8,315	\$ 45,792

- (a) Revenue by geographic region disclosed above is net of any inter-segment revenue and, therefore, represents only revenue from external customers according to the location of the operating subsidiary.
- (b) Comprised of property and equipment, intangible and goodwill, net of accumulated depreciation and amortization.

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NOTE 17 – VALUATION RESERVES

The following table summarizes the activity in our valuation accounts during the fiscal years ended December 31, 2023 and 2022.

(in thousands)	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions and Other	Balance at End of Period
Year Ended December 31, 2023				
Allowance for Expected Credit Losses	\$ 51	\$ 483	\$ (156)	\$ 378
Deferred tax assets-valuation allowance	\$ 185,352	\$ 41	\$ (1,940)	\$ 183,453
Year Ended December 31, 2022				
Allowance for Expected Credit Losses	\$ 196	\$ 26	\$ (171)	\$ 51
Deferred tax assets-valuation allowance	\$ 183,974	\$ 1,695	\$ (317)	\$ 185,352

NOTE 18 – SUBSEQUENT EVENT

On March 12, 2024, the Company announced that it is entering into a strategic agreement with Executive Solutions, a Dubai-based talent solutions company, which is expected to close by the end of March 2024. This agreement will allow the Company to expand its global footprint and client base in the Middle East market. The Company has not yet completed the accounting for this agreement.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the design and operation of the Company's disclosure controls and procedures, as such term is defined under Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of December 31, 2023. Such controls and procedures are designed only to provide reasonable assurance. There is no complete assurance that these controls and procedures will operate effectively under all circumstances.

Management's Annual Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) of the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

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 risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023 using the criteria set forth in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, the Company's management believes that, as of December 31, 2023, the Company's internal control over financial reporting was effective based on those criteria.

Remediation of Previously Disclosed Material Weaknesses

As previously disclosed, in order to address the material weakness in internal control over financial reporting from 2022, that resulted in an understatement of revenue and direct contracting costs and reimbursed expenses in the amount of \$5.762 million for the three- and six-month periods ended June 30, 2022 and the nine-month period ended September 30, 2022, management performed, with direction from the Company's audit committee, the following remediation activities:

- Enhanced controls over the revenue recognition process, specifically on evaluating whether the Company is to be considered the principal or the agent in non-routine transactions with customers.
- Planned a comprehensive review of design and performance of internal controls over the revenue recognition process to modify existing or add new controls to address risks identified in the material weakness.
- Enhanced period-end close procedures designed to identify and review material non-routine transactions and engage external advisers in a timely manner to assist us in the evaluation of any such material non-routine transactions.

For the year ended December 31, 2023 management performed remediation actions to address the material weakness as noted above. The Company enhanced period-end close procedures introducing new processes and a key financial reporting control. The new control enhances the Company's financial reporting controls framework providing improved mitigation over revenue recognition risks.

Management has successfully designed and implemented controls as noted above, addressing and rectifying the identified material weakness. These controls have been in operation for a sufficient period, and based on the results of its testing, management has concluded that the material weakness was remediated as of December 31, 2023 and that these controls are operating effectively.

Other than as discussed above, during the year ended December 31, 2023, there were no other changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

This Form 10-K does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to the SEC's rules for non-accelerated filers that permit the Company to provide only management's assessment report for the year ended December 31, 2023.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the three months ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following table sets forth certain information, as of March 14, 2024, regarding the Company's executive officers:

Name	Age	Title
Jeffrey E. Eberwein	53	Chief Executive Officer
Matthew K. Diamond	48	Chief Financial Officer
Jacob "Jake" Zabkowicz	41	Global Chief Executive Officer, Hudson RPO Holdings LLC

The following biographies describe the business experience of our executive officers:

Jeffrey E. Eberwein has served as Chief Executive Officer since April 2018, with responsibility for the Company's growth strategy, operational execution, and overall performance. Prior to his role as Chief Executive Officer, Mr. Eberwein served as director of the Company since May 2014. Mr. Eberwein formerly ran Lone Star Value Management, an investment firm he founded in 2013. He has 25 years of Wall Street experience and has valuable public company and financial expertise gained through his employment history and directorships. Prior to founding Lone Star Value in 2013, Mr. Eberwein was a private investor and served as a portfolio manager at Soros Fund Management from 2009 to 2011 and Viking Global Investors from 2005 to 2008.

Mr. Eberwein is the executive chairman at one other publicly traded company: Star Equity Holdings, Inc., a diversified holding company. Additionally, Mr. Eberwein served as a director of Novation Companies, Inc. from April 2015 to March 2018 and served as chairman of the board of Crossroads Systems, Inc. from June 2013 to May 2016, NTS, Inc. and On Track Innovations Ltd. from 2012 to 2014, AMERI Holdings, Inc. from May 2015 to August 2018, and Goldfield Corporation from 2012 to 2013.

Mr. Eberwein earned an MBA from The Wharton School, University of Pennsylvania and a BBA with High Honors from The University of Texas at Austin.

Matthew K. Diamond has served as Chief Financial Officer since January 2020 with overall responsibility for the Company's global accounting and finance functions. Prior to serving as the Company's Chief Financial Officer, Mr. Diamond served as the Company's Vice President of Finance since January 2019 and was appointed principal financial officer in June 2019. Prior to joining the Company, Mr. Diamond served in a variety of finance and control roles at PepsiCo, Inc. from 2001 to 2018, including director roles in Financial Reporting, Financial Analysis, and Technical Accounting and Policy. Mr. Diamond is a CPA and began his career as a Supervisory Senior Auditor with Arthur Andersen LLP. Mr. Diamond earned a BBA in Public Accounting from Pace University, where he graduated with magna cum laude honors.

Jake Zabkowicz is a seasoned, growth-minded executive who brings extensive global leadership as well as operational and business development experience in the talent acquisition industry. Most recently, he was Senior Vice President, Global RPO at Korn Ferry RPO, where he was instrumental in building and growing the firm's global RPO business during his 10-year tenure. Prior to his time at Korn Ferry RPO, Mr. Zabkowicz served as Director, Solution Design and Implementation at Pinstripe (now Cielo).

Executive officers are appointed by and serve at the discretion of the Board of Directors. There are no family relationships between any of our directors or executive officers.

CODE OF ETHICS

We have adopted a Code of Business Conduct and Ethics that applies to all of our employees and a Code of Ethics for the Chief Executive Officer and the Senior Financial and Accounting Officers. We have posted a copy of the Code of Business Conduct and Ethics and the Code of Ethics on our website at www.hudsonrpo.com and a copy is filed herewith as Exhibit 14.1. The Code of Business Conduct and Ethics and the Code of Ethics are also available in print to any stockholder who requests them in writing from the Corporate Secretary at 53 Forest Avenue, Suite 102, Old Greenwich, CT 06870. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding amendments to, or waivers from, our Code of Ethics by posting such information on our website at www.hudsonrpo.com. We are not including the information contained on our website as part of, or incorporating it by reference into, this report.

The remaining information required by this Item is incorporated herein by reference to the Company's definitive proxy statement (the "Proxy Statement"), which is expected to be filed with the SEC pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report.

ITEM 11. EXECUTIVE COMPENSATION

The information required in Item 11 is incorporated by reference to the information in the Proxy Statement, which will be filed with the SEC no later than 120 days subsequent to December 31, 2023.

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

Equity Compensation Plan Information

The following table presents information on the Company's equity compensation plans as of December 31, 2023.

	Number of shares remaining available for future issuance under equity compensation plans
Equity Compensation Plans approved by stockholders:	
2009 Incentive Stock and Awards Plan	150,307 ⁽¹⁾
Employee Stock Purchase Plan	11,632 ⁽²⁾
Total	<u>161,939</u>

(1) Excludes 175,686 shares of unvested restricted common stock previously granted under the Hudson Global, Inc. Long Term Incentive Plan and 2009 Incentive Stock and Awards Plan.

(2) The Company suspended the Hudson Global, Inc. Employee Stock Purchase Plan effective January 1, 2009.

The remaining information required in Item 12 is incorporated by reference to the information in the Proxy Statement, which will be filed with the SEC no later than 120 days subsequent to December 31, 2023.

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

The information required in Item 13 is incorporated by reference to the information in the Proxy Statement, which will be filed with the SEC no later than 120 days subsequent to December 31, 2023.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information in Item 14 has been omitted from this report, and is incorporated by reference to the information in the Proxy Statement, which will be filed with the SEC no later than 120 days subsequent to December 31, 2023.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

1. Financial Statements - See Consolidated Financial Statements at Item 8 of this Annual Report on Form 10-K. BDO USA, LLP, Stamford, Connecticut (PCAOB ID # 243); and Wolf & Company, P.C., Boston, Massachusetts (PCAOB ID #392)
2. Financial Statement Schedules - Supplemental schedules are not provided because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.
3. Exhibits - The exhibits listed in the accompanying Index of Exhibits are filed as part of, or incorporated by reference into, this Annual Report on Form 10-K.

Exhibit Number	Exhibit Description
(2.1)	<u>Agreement for the Sale and Purchase of the Share Capital of Hudson Belgium NV, December 17, 2017, as amended January 25, 2018, between Hudson Global, Inc., Hudson Highland Group Holdings International, Inc., Value Plus NV and Ivan De Witte and De Witte Comm. V. (incorporated by reference to Annex A to Hudson Global, Inc.'s Definitive Proxy Statement filed February 13, 2018 (File No. 0-50129)).</u>
(2.2)	<u>Share Purchase Agreement, dated December 17, 2017, as amended January 25, 2018, by and among Hudson Global, Inc., Hudson Global Resources AG Zug, Hudson Global Resources Jersey Limited, Hudson Europe BV and Morgan Philips Group SA (incorporated by reference to Annex B to Hudson Global, Inc.'s Definitive Proxy Statement filed February 13, 2018 (File No. 0-50129)).</u>
(2.3)	<u>Share Sale Agreement, dated December 17, 2017, as amended January 25, 2018, by and among Hudson Highland Group Holdings International, Inc., Hudson Global, Inc. and Apache Group Holdings Pty Limited (incorporated by reference to Annex C to Hudson Global, Inc.'s Definitive Proxy Statement filed February 13, 2018 (File No. 0-50129)).</u>
(2.4)	<u>Asset Purchase Agreement, dated as of October 1, 2020, by and among Hudson Global, Inc., Hudson Coit, Inc., Coit Staffing, Inc., Joe Belluomini and Tim Farrelly (incorporated by reference to Exhibit 2.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated October 1, 2020 (File No. 001-38704)).</u>
(2.5)	<u>Membership Interest Purchase Agreement, dated as of October 29, 2021, by and among Hudson Global, Inc., Hudson Global Resources Management, Inc. and Daniel Williams (incorporated by reference to Exhibit 2.1 to Hudson Global, Inc.'s Current Report on Form 8-K filed November 2, 2021 (File No. 001-38704)).</u>
(3.1)	<u>Amended and Restated Certificate of Incorporation of Hudson Global, Inc. (incorporated by reference to Exhibit 3.2 to Hudson Global, Inc.'s Current Report on Form 8-K dated June 15, 2015 (File No. 0-50129)).</u>
(3.2)	<u>Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Hudson Global, Inc. (incorporated by reference to Exhibit 3.1 to Hudson Global, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (File No. 001-38704)).</u>
(3.3)	<u>Certificate of Designations of the Board of Directors Establishing the Series and Fixing the Relative Rights and Preferences of Series A Junior Participating Preferred Stock (incorporated by reference to Exhibit 3.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated February 2, 2005 (File No. 0-50129)).</u>
(3.4)	<u>Certificate of Designation of Series B Junior Participating Preferred Stock of Hudson Global, Inc. (incorporated by reference to Exhibit 3.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated October 15, 2018 (File No. 0-50129)).</u>
(3.5)	<u>Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Hudson Global, Inc. (incorporated by reference to Exhibit 3.1 to Hudson Global, Inc. Current Report on Form 8-K dated June 10, 2019 (File No. 001-38704)).</u>
(3.6)	<u>Amended and Restated By-laws of Hudson Global, Inc. (incorporated by reference to Exhibit 3.4 to Hudson Global, Inc.'s Current Report on Form 8-K dated June 15, 2015 (File No. 0-50129)).</u>
(4.1)	<u>Rights Agreement, dated as of October 15, 2018, by and between Hudson Global, Inc. and Computershare Trust Company, N.A., as Rights Agent (incorporated by reference to Exhibit 4.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated October 15, 2018 (File No. 0-50129)).</u>
(4.2)	<u>Description of Registered Description of Registered Securities.</u>
(4.3)	<u>First Amendment to Rights Agreement, dated as of September 28, 2021, by and between Hudson Global, Inc. and Computershare Trust Company, N.A. (incorporated by reference to Exhibit 4.1 of the Company's Form 8-K filed with the SEC on September 29, 2021).</u>
(10.1)*	<u>Hudson Global, Inc. Long Term Incentive Plan, as amended through October 29, 2007 (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2007 (File No. 0-50129)).</u>

(10.3)*	<u>Form of Hudson Global, Inc. Long Term Incentive Plan Stock Option Agreement (Directors) (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc. Current Report on Form 8-K dated May 11, 2006 (File No. 0-50129)).</u>
(10.5)*	<u>Form of Hudson Global, Inc. 2009 Incentive Stock and Awards Plan Stock Option Agreement (New Non-Employee Directors) (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated October 2, 2015 (File No. 0-50129)).</u>
(10.8)*	<u>Form of Hudson Global, Inc. 2009 Incentive Stock and Awards Plan Restricted Stock Award Agreement (Executive Officers and Global Leadership Team) for awards made on or after November 6, 2015. (incorporated by reference to Exhibit 10.10 to Hudson Global, Inc.'s Annual Report on Form 10-K dated March 3, 2016 (File No. 0-50129)).</u>
(10.9)*	<u>Form of Hudson Global, Inc. 2009 Incentive Stock and Awards Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Quarterly Report on Form 10-Q dated April 28, 2016 (File No. 0-50129)).</u>
(10.10)*	<u>Summary of Hudson Global, Inc. Compensation for Non-employee Members of the Board of Directors (incorporated by reference to Exhibit 10.13 to Hudson Global, Inc.'s Annual Report on Form 10-K dated March 3, 2016 (File No. 0-50129)).</u>
(10.11)*	<u>Hudson Global, Inc. Amended and Restated Director Deferred Share Plan (incorporated by reference to Exhibit 10.4 to Hudson Global, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 0-50129)).</u>
(10.23)	<u>Note, dated April 26, 2020, issued by Hudson Global Resources Management, Inc. to First Republic Bank. (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated April 30, 2020 (File No 001-38704)).</u>
(10.24)*	<u>Hudson Global, Inc. 2009 Incentive Stock and Awards Plan, as Amended and Restated (incorporated by reference to Annex A to the Company's definitive proxy statement filed with the Securities Exchange Commission on Schedule 14A on August 12, 2020 (File No. 001-38704)).</u>
(10.25)	<u>Hudson Global, Inc. 2009 Incentive Stock and Awards Plan, as Amended and Restated (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated May 20, 2022 (File No. 001-38704)).</u>
(10.26)	<u>Employment Agreement, dated October 6, 2023, by and between Hudson Global, Inc. and Jacob "Jake" Zabkowicz.</u>
(14.1)	<u>Hudson Global, Inc. Code of Business Conduct and Ethics, adopted February 18, 2004, as revised May 3, 2021.</u>
(21)	<u>Subsidiaries of Hudson Global, Inc.</u>
(23.1)	<u>Consent of Wolf & Company, P.C.</u>
(23.2)	<u>Consent of BDO USA, LLP.</u>
(31.1)	<u>Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.</u>
(31.2)	<u>Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.</u>
(32.1)	<u>Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350.</u>
(32.2)	<u>Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350.</u>
(97.1)	<u>Hudson Global, Inc. Incentive-Based Compensation Clawback Policy, dated November 29, 2023.</u>
(99.1)	Proxy Statement for the 2024 Annual Meeting of Stockholders (To be filed with the Securities and Exchange Commission under Regulation 14A within 120 days after December 31, 2023; except to the extent specifically incorporated by reference, the Proxy Statement for the 2024 Annual Meeting of Stockholders shall not be deemed to be filed with the Securities and Exchange Commission as part of this Annual Report on Form 10-K.)
(101)	The following materials from Hudson Global, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2023 are filed herewith, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Operations for the years ended December 31, 2023 and 2022, (ii) the Consolidated Statements of Comprehensive Income for the years ended December 31, 2023 and 2022, (iii) the Consolidated Balance Sheets as of December 31, 2023 and 2022, (iv) the Consolidated Statements of Cash Flows for the years ended December 31, 2023 and 2022, (v) the Consolidated Statement of Stockholders' Equity for the years ended December 31, 2023 and 2022, and (vi) Notes to Consolidated Financial Statements.
*	A management contract or compensatory plan or arrangement

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

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

HUDSON GLOBAL, INC.
(Registrant)

By: /s/ JEFFREY E. EBERWEIN
Jeffrey E. Eberwein
Chief Executive Officer
(Principal Executive Officer)
Date: March 14, 2024

POWER OF ATTORNEY

Each person whose individual signature appears below hereby authorizes and appoints Jeffrey E. Eberwein and Matthew K. Diamond, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this annual report on Form 10-K and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ JEFFREY E. EBERWEIN</u> Jeffrey E. Eberwein	Chief Executive Officer and Director (Principal Executive Officer)	March 14, 2024
<u>/s/ MATTHEW K. DIAMOND</u> Matthew K. Diamond	Chief Financial Officer (Principal Financial Officer)	March 14, 2024
<u>/s/ MIMI DRAKE</u> Mimi Drake	Director	March 14, 2024
<u>/s/ ROBERT G. PEARSE</u> Robert G. Pearse	Director	March 14, 2024
<u>/s/ CONNIA NELSON</u> Connia Nelson	Director	March 14, 2024

EXECUTIVE EMPLOYMENT AGREEMENT

This employment agreement dated October 6, 2023 (the “Agreement”), by and between Hudson RPO Holdings LLC (the “Company”) and Jacob Zabkowicz (the “Executive”), is effective as of the Effective Date, as defined in Section 1(a) below.

WHEREAS the Company wishes to employ the Executive and the Executive wishes to be employed by the Company in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the conditions and mutual covenants contained in this Agreement, the parties agree as follows:

1. Employment. During the Term:

(a) The Company will employ the Executive and the Executive accepts employment with the Company as the Global Chief Executive Officer commencing on a date to be mutually agreed upon by the Executive and the Company but in no event later than March 25, 2024 (the “Effective Date”). The Executive will perform duties normally associated with such positions and/or other duties commensurate with the Executive’s position as may be assigned from time to time during the Term as defined in Section 2 below. The Executive shall perform such duties in a manner consistent with applicable laws and regulations, and any code of ethics, compliance manual, employee handbook or other policies and procedures adopted by the Company from time to time and subject to any written directives issued by the Company from time to time (the “Employment Guidelines”). If there is a conflict between this Agreement and the Employment Guidelines, this Agreement will control. Unless Executive and the Company agree in writing to another location, Executive will work remotely on a day-to-day basis, will report to the Company’s principal offices in Old Greenwich, Connecticut, USA, as may be reasonably required from time to time, and will travel as required in connection with the performance of his duties hereunder.

(b) As of the Effective Date (as defined above), the Executive shall be invited to attend all meetings of the Board of Directors (the “Board”) of Hudson Global, Inc. (“Hudson Global”) as an observer, provided that the Board meeting is not an executive session of the Board or otherwise determined by the Board to be confidential. The Executive shall not be a member of the Board, unless the Board shall determine otherwise, in its sole discretion. The Executive may be requested to serve on the board of directors of the Company, or of one or more subsidiaries of the Company, and shall do so in connection with the performance of his duties hereunder for the duration of this Agreement without additional compensation. Provided, the removal of the Executive from any such board position shall not constitute Good Reason (as defined below).

(c) The Executive must acknowledge receipt of the Company’s Code of Business Conduct and Ethics (the “Code of Conduct”) and confirm that the Executive will comply with the Code of Conduct. Failure to confirm compliance annually with the Company’s Code of Conduct within a reasonable timeframe following the Executive’s receipt of a written request by the Company, will justify termination for cause unless, at the sole discretion of the Company’s Board, non-compliance is deemed non-material.

2. Term of Employment. The Executive's employment under this Agreement will commence on the Effective Date and will continue until the three-year anniversary of the Effective Date, subject to earlier termination as provided in Section 7 (the "Term"). This Agreement and the Term will be automatically renewed and extended for periods of one (1) calendar year unless the Company or the Executive provides written notice no less than thirty (30) days prior to the expiration of the then-current Term of its or the Executive's desire not to renew this Agreement.

3. Scope of Responsibilities and Duties. The Executive agrees to devote the Executive's full business time, attention, efforts and energies to the performance of the Executive's duties and responsibilities hereunder. While employed by the Company, the Executive may not engage in any employment other than for the Company, in any conflicting or competing business activities, or have any financial interest, directly or indirectly, in any business competing with the Company or otherwise engaged in the business of the Company or its affiliates. The foregoing does not prevent the Executive from (1) serving on the board of directors of another organization with the written consent of the Board (board memberships existing prior to the execution of this Agreement are exempt provided Executive has notified the Company in writing of such directorship prior to the date Executive executes this Agreement); (2) managing Executive's personal investments, provided that such investments and activities do not materially interfere with the Executive's performance of Executive's duties and responsibilities hereunder; (3) holding any (i) debt or equity securities that are less than five (5%) percent of any class of the issuer's debt or equity securities, (ii) any securities of the Company, (iii) any debt or equity or other securities held directly or indirectly by Executive prior to the execution of this Agreement, or (iv) any debt or equity or other security acquired or held with the Board's affirmative approval; or (4) remaining as the owner of Rocky Bluff Outfitters LLC, Rocky Bluff Lodge LLC, and Rocky Bluff Properties LLC.

4. Compensation and Benefits. The Company will provide the Executive with the following compensation and benefits during the Term:

(a) The Company will pay the Executive a salary of \$400,000 on an annualized basis, payable in accordance with the payroll practices of the Company in effect from time to time, and less such taxes and other deductions required by applicable law or authorized by the Executive (as adjusted from time to time, the "Base Salary"). The Executive's Base Salary may be increased at any time by the Compensation Committee of the Board but shall not be decreased during the term of this Agreement.

(b) The Executive will be entitled to accrue paid vacation at the rate of the greater of (i) four (4) weeks per year, or (ii) the vacation allowance as provided under the Company's vacation plan that applies to similarly situated employees working at the office location at which the Executive is based, provided any change in the vacation allowance is approved by the Board upon recommendation of the Compensation Committee. In addition, the Company will provide the Executive with other benefits of employment offered, from time to time to similarly situated employees at the office location at which the Executive is based, provided such benefits are approved by the Board upon recommendation of the Compensation Committee.

(c) The Executive will be eligible for an annual cash bonus of up to \$400,000, earned as of the end of each fiscal year, commencing with the fiscal year ending December 31, 2024,

contingent on achievement of pre-established performance goals, as determined by the Board or the Compensation Committee of the Board, and Executive's continued employment with the Company through the last day of the fiscal year ("EBITDA Bonus"). For the fiscal year 2024, the Executive is guaranteed a minimum EBITDA Bonus of \$200,000. For all subsequent fiscal years, the Executive does not have a guaranteed minimum EBITDA Bonus. The EBITDA Bonus for any fiscal year will be paid no later than March 15 of the following fiscal year.

(d) The Executive will be eligible for an annual cash bonus of up to \$300,000, earned as of the end of each fiscal year, commencing with the fiscal year ending December 31, 2024, contingent on achievement of pre-established performance goals, as determined by the Board or the Compensation Committee of the Board, and Executive's continued employment with the Company through the last day of the fiscal year ("Net Revenue Bonus"). For the fiscal year 2024, the Executive is guaranteed a minimum Net Revenue Bonus of \$150,000. For all subsequent fiscal years, the Executive does not have a guaranteed minimum Net Revenue Bonus. The Net Revenue Bonus for any fiscal year will be paid no later than March 15 of the following fiscal year.

(e) Executive shall receive an equity award in the form of restricted stock units (the "RSUs"), which shall be settled in shares of the Company's common stock or in cash as provided herein, subject to the terms of the Hudson Global, Inc. 2009 Incentive Stock and Awards Plan (the "Awards Plan") and any award agreement(s) issued to Executive under the Awards Plan. On the Effective Date, the Company will grant the Executive RSUs that shall have a grant date fair market value equal to \$1,000,000. One year following the Effective Date, and provided the Executive remains employed by the Company, the Company will grant the Executive RSUs that shall have a grant date fair market value equal to \$1,000,000. Two years following the Effective Date, and provided that the Executive remains employed by the Company, the Company will grant the Executive RSUs that shall have a grant date fair market value equal to \$1,000,000. Each of the RSU grants hereunder shall vest 1/3 on the first anniversary of the grant date, 1/3 on the second anniversary of the grant date, and 1/3 on the third anniversary of the grant date.

(f) Executive will be eligible to participate in a Management Incentive Plan, to be approved by the Hudson Global Board, or the Board's Compensation Committee, within 90 days following the Effective Date, as described to Executive under separate cover. Such Management Incentive Plan benefit shall be governed by and subject to the terms of such plan, as ultimately adopted by the Company, and any award agreement(s) issued to Executive thereunder.

(g) Executive will receive a one-time starting bonus of \$470,000 ("Starting Bonus"), payable on Executive's first regular payday following the Effective Date or by December 1, 2023, whichever comes first. If Executive's employment terminates pursuant to Section 7(d) or (f) hereunder before the one-year anniversary of the Effective Date, Executive must repay 100% of the Starting Bonus to the Company. If Executive's employment terminates pursuant to Section 7(d) or (f) hereunder on or after the first anniversary of the Effective Date but before the second anniversary of the Effective Date, Executive must repay 2/3 of the Starting Bonus to the Company. If Executive's employment terminates pursuant to Section 7(d) or (f) hereunder on or after the second anniversary of the Effective Date but before the third anniversary of the Effective Date (the "Final Due Date"), Executive must repay 1/3 of the Starting Bonus to the Company. Therefore, the Starting Bonus is not deemed fully earned unless and until Executive remains employed by Company for at least three years after the Effective Date, or Executive's employment ends

pursuant to Section 7(a), (b), or (c) of this Agreement. Any suspension of full-time employment prior to the Final Due Date will automatically extend the Final Due Date, as well as applicable earlier dates on the first or second anniversary of the Effective Date, as applicable, in an amount of time equal to the period of such suspension. Any portion of the Starting Bonus which the Executive owes the Company under this Section 4(g) must be repaid to the Company upon the termination of Executive's employment with the Company. Executive hereby authorizes the Company to deduct any amount of the Starting Bonus that Executive owes the Company under this Section 4(g) from Executive's final compensation or other payments owed to the Executive by the Company under this Agreement at the time of the termination of Executive's employment.

5. Additional Agreements. The Executive's employment hereunder is further contingent upon the Executive's simultaneous execution of the Confidentiality, Non-Solicitation and Work Product Assignment Agreement and Mutual Agreement to Arbitrate Claims, which is attached as Attachment A and forms a part of this Agreement. To the extent there is any conflict between the terms of the Agreement and any of the terms of Attachment A or any other attachment, the terms of the Agreement will control.

6. Representations and Warranties. The Executive represents and warrants as follows:

(a) All information, oral and written, provided by the Executive during the employment process is accurate and true to the best of the Executive's knowledge, and such information does not include any misleading or untrue statement.

(b) To the best of Executive's knowledge, the Executive has never been the subject of any disciplinary action by any governmental agency, industry or self-regulatory body or any other employer, except as otherwise previously disclosed to the Company.

(c) The execution, delivery and performance of this Agreement by the Executive and the Executive's employment hereunder are not in violation of the terms, including any non-competition, non-disclosure, non-solicitation or confidentiality provisions, of any written or oral agreement, arrangement or understanding to which the Executive is a party or by which the Executive is bound, and Executive has provided the Company with a copy of all such written non-competition, non-disclosure, non-solicitation or confidentiality provisions.

(d) The execution, delivery and performance of this Agreement by the Executive and the Executive's employment hereunder are not in violation of any United States federal or state statute, rule, regulation, or other law, or any judgment, decree or order applicable or binding upon the Executive.

7. Termination. This Agreement and the Executive's employment may be terminated prior to the expiration of the Term as follows:

(a) Death. If the Executive dies during the Term, this Agreement shall automatically terminate and the Company shall have no further obligation to the Executive or the Executive's estate, except to pay the Executive's estate (or beneficiary, if applicable) that portion of the Base Salary and other compensation and benefits (including, but not limited to, EBITDA Bonus and Net Revenue Bonus, pro-rated through the date of termination assuming 100% of target bonus,

amounts properly submitted for reimbursement and accrued but unused vacation) earned, but unpaid through the date on which the Executive's termination occurs (the "Accrued Amounts"); for the avoidance of doubt, Attachment B is not applicable to this type of termination. For fiscal year 2024 only, the EBITDA Bonus and Net Revenue Bonus will not be prorated if the Executive dies during fiscal year 2024. The Company shall pay these amounts by the later of thirty (30) days after the date of death, and the dates that they would otherwise have been paid under this Agreement. If the Executive dies after execution of this Agreement but before the Effective Date, then this Agreement shall automatically terminate and the Company shall have no obligation to the Executive or the Executive's estate.

(b) Disability. If the Executive is unable to perform the Executive's essential job duties and responsibilities due to mental or physical disability for a total of twelve (12) weeks, whether consecutive or not, during any rolling twelve (12) month period, the Company may terminate the Executive's employment and this Agreement upon five (5) days' written notice to the Executive. For purposes of this Agreement, the Executive will be considered disabled when the Company, with the advice of a qualified physician, reasonably acceptable to the Executive and the Company, determines that the Executive is physically or mentally incapable (excluding infrequent and temporary absences due to ordinary illness) of performing the Executive's essential job duties, with or without reasonable accommodation. The Executive shall cooperate with the Company in obtaining the advice of a qualified physician regarding the Executive's condition. In the event of termination pursuant to this Section 7(b), the Company will be relieved of all obligations under this Agreement, provided that the Company will pay to the Executive the Accrued Amounts; for the avoidance of doubt, Attachment B is not applicable to this type of termination. For fiscal year 2024 only, the EBITDA Bonus and Net Revenue Bonus will not be prorated if the Executive becomes disabled during fiscal year 2024. The Company shall pay these amounts by the earlier of thirty (30) days after the date of termination of employment, and the dates that they otherwise would have been paid under this Agreement. If the Executive becomes disabled after execution of this Agreement but before the Effective Date, then this Agreement shall automatically terminate and the Company shall have no obligation to the Executive or the Executive's estate.

(c) Discharge without Cause or Termination on Expiration or by the Executive for Good Reason. The Company may terminate the Executive and this Agreement at any time for any reason, including without Cause (as defined in Section 7(e) below), upon thirty (30) days' written notice to the Executive. If the Company gives notice of non-renewal of employment within the 30- day period as provided in Section 2, it will be treated as a termination without Cause effective at the end of the Term. In addition, the Executive may terminate Executive's employment and this Agreement at any time for Good Reason (as defined below).

Upon termination without Cause or for Good Reason, the Company will have no further liability to the Executive other than to provide the Executive with:

(i) the Accrued Amounts, to be paid by the earlier of thirty (30) days after the date of termination of employment and the dates that they otherwise would have been paid under this Agreement;

(ii) subject to the Executive's execution of a release and waiver agreement and covenant not to sue, substantially in the form attached hereto as Attachment B (the

“Release”), a pro-rata portion of the EBITDA Bonus and the Net Revenue Bonus for the fiscal year during which the Executive’s termination occurs, calculated based on 100% achievement of respective targets, but pro-rated to reflect the number of full months worked during the fiscal year (the “Pro-Rata Bonus”), to be paid at the later of (A) the time the EBITDA Bonus and the Net Revenue Bonus would normally be paid under Sections 4(c) and 4(d) or (B) the first regular pay day after the forty-fifth (45th) day after the date of termination of employment. For fiscal year 2024 only, the EBITDA Bonus and Net Revenue Bonus will not be prorated if the Executive is terminated without Cause or for Good Reason during fiscal year 2024;

(iii) subject to the Executive’s execution of the Release, if termination of Executive’s employment and this Agreement under this Section 7(c) occurs after the Effective Date but prior to the third anniversary of the Effective Date, any RSUs described in Section 4(e) which have not yet been granted under the Awards Plan as of the date of termination shall be deemed granted and fully vested, and any RSUs under Section 4(e) that have already been granted under the Awards Plan as of the date of termination that remain unvested shall be deemed fully vested. To the extent permitted under the Awards Plan and Code Section 409A, RSUs affected by this Section 7(c)(iii) shall be settled on the later of (A) the time the RSUs would normally be settled under Awards Plan and award agreement(s) thereunder or (B) the first business day after the forty-fifth (45th) day after the date of termination of employment. To the extent the acceleration of the award and/or vesting of any of the RSUs under this Section 7(c)(iii) would violate the terms of the Awards Plan, the Company shall satisfy the settlement of such deemed RSUs in an equivalent cash distribution;

(iv) subject to the Executive’s execution of the Release, the equivalent of 1.5x the Base Salary, payable in equal installments commencing on the first regular pay day after the termination of the Executive’s employment with the Company and on each regular pay day thereafter through the 18-month anniversary of the termination; and

(v) subject to the Executive’s execution of the Release, reimbursement for the Executive’s cost of COBRA premiums for health insurance continuation coverage (to the extent such premiums exceed the contributory cost for the same coverage that the Company charges active employees) through the 18-month anniversary of the termination or until his right to COBRA continuation expires, whichever is shorter, provided that Executive timely elects and is eligible for COBRA coverage.

For purposes of this Section 7 only, Good Reason shall be defined as: (i) any changes in the Executive’s authority, duties and responsibilities which would result in the Executive no longer being the Chief Executive Officer of the Company, (ii) any material reduction of the Executive’s salary, aggregate incentive compensation opportunities or aggregate benefits, unless such changes are applied to all members of the Company’s leadership team and amount to less than a 10% reduction in total, or (iii) a material breach by the Company of this Agreement. No event or condition described in this Section 7(c) shall constitute Good Reason unless the Executive gives the Company written notice of Executive’s intention to terminate Executive’s employment for Good Reason and the grounds for such termination within ninety (90) days of the occurrence of

such event and the initial existence of such condition and such grounds for termination are not cured by the Company within sixty (60) calendar days of its receipt of such notice.

(d) Termination for Cause. The Company may terminate the Executive's employment and this Agreement at any time for Cause as defined below. In such case, this Agreement and the Executive's employment shall terminate immediately, and the Company shall have no further obligation to the Executive, except that the Company shall pay to the Executive the Accrued Amounts; for the avoidance of doubt, Attachment B is not applicable to this type of termination.

(e) Definition of Cause. For purposes of this Agreement, Cause shall be defined as:

(i) the willful failure of the Executive to perform the Executive's duties and obligations in any material respect (other than any failure resulting from Executive's disability), which failure is not cured within thirty (30) days after receipt of formal, signed written notice thereof, provided that there shall be no obligation to provide any additional written notice if the Executive's failure to perform is repeated and the Executive has previously received one (1) or more formal, signed written notices;

(ii) intentional acts of dishonesty or willful misconduct by the Executive with respect to the Company;

(iii) conviction of a felony, misdemeanor, or other offense the circumstances of which substantially relate to the circumstances of the Executive's job, including but not limited to violation of any law involving dishonesty, disloyalty, or fraud, or entry of a plea of guilty or *nolo contendere* to such charge;

(iv) repeated refusal to perform the reasonable and legal instructions of the Board;

(v) material breach of this Agreement or Attachment A;

(vi) failure to confirm compliance with the Company's Code of Conduct after 10 days' written notice requesting confirmation; or

(vii) a violation of Section 6(c); provided, however, that if the Company or a court or arbitral authority of competent jurisdiction determines that Executive's execution, delivery and performance of this Agreement violates the terms of Executive's restrictive covenant obligations to his immediately prior employer despite Executive's good faith efforts to comply with those restrictive covenant obligations, such determination shall not be considered "Cause".

(f) Resignation. Except as otherwise provided in Section 2, the Executive may voluntarily resign from employment at any time during the Term: (i) upon sixty (60) days written notice and in compliance with the provisions of Attachment A; or (ii) immediately in the event the Executive's former employer has formally filed a complaint in court or has formally demanded arbitration, or the Company has determined that the Executive has acted in violation of Section 6(c), but in compliance with the provisions of Attachment A. In such event, the Company shall be relieved of all its obligations under this Agreement, except that the Company shall pay to

the Executive the Accrued Amounts, subject to any irrevocable deferral election then in effect; for the avoidance of doubt, Attachment B is not applicable to this type of termination. The Company shall pay these amounts by the earlier of thirty (30) days after the date of termination of employment and the dates that they would otherwise have been paid under this Agreement.

(g) Continuance of Obligations. The Executive remains obligated to comply with the Executive's obligations and duties pursuant to Attachment A despite the termination of this Agreement and the Executive's employment for any reason.

(h) Cooperation. During employment and after the termination of this Agreement and the Executive's employment for any reason, the Executive agrees to reasonably cooperate with and at the request of the Company in the defense or prosecution of any legal matter or claim in which the Company, any of its affiliates, or any of their past or present employees, agents, officers, directors, attorneys, successors or assigns, may be or become involved and which arises or arose during the Executive's employment. The Executive will be reimbursed for any reasonable out-of-pocket expenses incurred thereby. Such cooperation will be without additional compensation if Executive is then employed by Company and for reasonable mutually agreeable compensation if Executive is not then employed by Company.

(i) No Disparagement. During employment and after the termination of this Agreement and the Executive's employment for any reason, the Executive agrees that, except as may be required by the lawful order of a court or agency of competent jurisdiction, the Executive will not knowingly take any action or make any statement or disclosure, whether written or oral, that disparages, criticizes, or is otherwise derogatory with respect to the Company or any of its affiliates, or any of their past or present employees, officers or directors. The Company will not knowingly disparage, criticize or otherwise make any derogatory statements regarding the Executive. For purposes of this Section 7(i) only, the term "Company" means only the Company's executive officers and directors of the Company, and any person operating at the direction of the executive officers or directors of the Company. This Section 7(i) does not apply to or in any way restrict any party from any communications with government agencies, complying with any applicable law or court or arbitration order, exercising whistleblower or other protected non-waivable legal rights, or filing any legal claim or defense with a court of competent jurisdiction or in an administrative or arbitration proceeding, and making statements, remarks or comments in connection with any legal, administrative, or arbitration proceedings. Executive shall promptly provide written notice of any such order to the Company.

(j) Directorships. The Executive agrees that the Company may, at any time and for any reason, remove the Executive from any directorship held with any subsidiary of the Company, and such removal will be effective immediately upon written notice to the Executive unless stated otherwise in such notice.

(k) Power of Attorney. The Company may from time to time grant the Executive specific powers of attorney. The Company may at any time revoke the Executive's power of attorney upon written notification to the Executive. Further, upon termination from the Company for any reason all powers of attorney are immediately and automatically revoked.

(l) Administrative Leave. If (i) the Company notifies Executive that he will be terminated without Cause, (ii) the Executive provides notice of his resignation or termination of his employment for Good Reason or (iii) Executive or the Company provides notice of its or the Executive's desire not to renew this Agreement, then the Company may place Executive on administrative leave contemporaneously with or at any time after delivery of such notice. During such administrative leave, the Company shall continue to provide Executive all of the compensation and benefits described in Section 4.

1. Indemnification. The Company shall to the fullest extent permitted by the Company's certificate of incorporation and bylaws in effect from time to time, subject to the conditions thereof, indemnify Executive against expenses, reasonable attorneys' fees, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with: (i) any proceedings against him arising by reason of the fact that Executive is or was an agent or employee of the Company and (ii) any proceedings against him by his immediately prior employer involving alleged breach of any restrictive covenant obligations to his immediately prior employer.

2. Severability. Whenever possible, each portion, provision or section of this Agreement will be interpreted in such a way as to be effective and valid under applicable law, but if any portion, provision or section of this Agreement is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other portions, provisions or sections. Rather, this Agreement will be reformed, construed and enforced as if such invalid, illegal or unenforceable portion, provision or section had never been contained herein.

3. Complete Agreement. This Agreement, including Attachments A and B, contains the complete agreement and understanding between the parties with respect to the matters covered herein and supersedes and preempts any prior understanding, agreement, or representation by or between the parties, written or oral.

4. Additional Rights and Causes of Action. This Agreement, including Attachments A and B, is in addition to and does not in any way waive or detract from any rights or causes of action the Company may have relating to Confidential Information (as defined in Attachment A) or other protectable information or interests under statutory or common law or under any other agreement.

5. Governing Law. Notwithstanding principles of conflicts of law of any jurisdiction to the contrary, all terms and provisions of this Agreement are to be construed and governed by the laws of the State of Wisconsin without regard to the laws of any other jurisdiction in which the Executive resides or performs any duties hereunder or where any violation of this Agreement occurs.

6. Successors and Assigns.

(a) This Agreement will inure to the benefit of and be enforceable by the Company and its successors and assigns. The Executive may not assign the Executive's rights or delegate the Executive's obligations hereunder.

(b) The Company's and Executive's responsibilities under Sections 7, 8, 10, 11, 12, 13, 14, and 15 will survive termination of this Agreement.

7. **Waivers.** The waiver by either the Executive or the Company of a breach by the other party of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by the breaching party.

8. **Withholding.** The Company shall be entitled to withhold from amounts to be paid to the Executive hereunder any federal, state or local withholding or other taxes or charges which it is from time to time required to withhold. The Company shall be entitled to rely on an opinion of National Tax Counsel if any question as to the amount or requirement of any such withholding shall arise. In addition, if prior to the date of payment of any amount hereunder, the Federal Insurance Contributions Act ("FICA") tax imposed under Sections 3101, 3121(a) and 3121(v)(2) of the Internal Revenue Code of 1986 (the "Code"), where applicable, becomes due, a payment will be made to the Executive from the cash payments otherwise owing hereunder (without regard to the six-month delay if Executive) equal to the amount needed to pay the Executive's portion of such tax, as well as withholding taxes resulting therefrom (including the additional taxes attributable to the pyramiding of such distributions and taxes), and any subsequent payment shall be reduced accordingly.

9. **Compliance with Code Section 409A.**

(a) This Agreement shall be construed, interpreted, and administered in a manner so that the benefits, payments and reimbursements under this Agreement or the plans, policies, or programs referred to in this Agreement that are nonqualified deferred compensation under Code Section 409A will satisfy the requirements of Code Section 409A and will not result in the imposition of additional tax under Code Section 409A.

(b) To the extent that any benefits, payments, and reimbursements under this Agreement or the plans, policies, or programs referred to in this Agreement are nonqualified deferred compensation under Code Section 409A, are paid or provided during the six (6) months after the date of termination of employment and are paid or provided by virtue of the Executive's termination of employment, the Company shall take the following actions. If the Executive is a "specified employee" under Code Section 409A on the date of termination of employment, and to the extent not otherwise provided in this Agreement or the plans, policies, or programs referred to in this Agreement, the Company shall withhold these benefits, payments, and reimbursements from the date of termination of employment through the end of the sixth month after the date of termination of employment (the "Mandatory Holdback Period"). The Company shall pay and provide these benefits, payments, and reimbursements in a single lump sum on the first business day of the seventh (7th) month after the date of termination of employment, or if earlier, no later than thirty days after the date of the Executive's death after the date of termination of employment (the "Mandatory Delayed Payment Date"). If the Company withholds any in-kind benefit or reimbursement during the Mandatory Holdback Period, the Executive may pay the provider of the benefit or service and receive reimbursement on the Mandatory Delayed Payment Date.

(c) The Executive acknowledges that to avoid an additional tax on payments that may be payable under this Agreement and that constitute deferred compensation that is not exempt from Code Section 409A, the Executive must make a reasonable, good faith effort to collect any payment or benefit to which Executive believes Executive is entitled hereunder no later than ninety (90) days of the latest date upon which the payment could under this Agreement could have been

timely paid pursuant to Code Section 409A, and if not paid or provided, take further enforcement measures within 180 days after such latest date.

(d) The provisions of this Section 16 control over any conflicting provisions of this Agreement, or the plans, policies, or programs referred to in this Agreement.

8. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

THE COMPANY AND THE EXECUTIVE ACKNOWLEDGE THAT:

(a) EACH HAS CAREFULLY READ THIS AGREEMENT;

(b) EACH UNDERSTANDS ITS TERMS;

(c) ALL UNDERSTANDINGS AND AGREEMENTS BETWEEN THE COMPANY AND THE EXECUTIVE RELATING TO THE SUBJECTS COVERED IN THE AGREEMENT ARE CONTAINED IN IT; AND

(d) EACH HAS ENTERED INTO THIS AGREEMENT VOLUNTARILY AND NOT IN RELIANCE ON ANY PROMISES OR REPRESENTATIONS BY THE OTHER, OTHER THAN THOSE CONTAINED IN THIS AGREEMENT ITSELF.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

Jacob Zabkowicz

Hudson RPO Holdings LLC

/s/ JAKE ZABKOWICZ

Signature of Executive

/s/ JEFFREY E. EBERWEIN

Name: Jeffrey Eberwein

Title: Chief Executive Officer

Jake Zabkowicz

Printed Name of Executive

Attachment A

CONFIDENTIALITY, NON-SOLICITATION AND WORK PRODUCT ASSIGNMENT AGREEMENT, AND MUTUAL AGREEMENT TO ARBITRATE CLAIMS

As a material inducement to and in consideration of executive's employment by Hudson RPO Holdings LLC (individually and collectively with Hudson RPO Holdings LLC's past, present, and future parents, subsidiaries, affiliates, and related companies, "Hudson"),¹ Jacob Zabkowicz (the "Executive") agrees as follows:

1. Confidential Information

1.1 Definition.

"Confidential Information" consists of all information or data relating to the business of Hudson, including but not limited to, business and financial information; new product development and technological data; personnel information and the identities of employees; the identities of clients and suppliers and prospective clients and suppliers; client lists and potential client lists; development, expansion and business strategies, plans and techniques; computer programs, devices, methods, techniques, processes and inventions; research and development activities; trade secrets as defined by applicable law and other materials (whether in written, graphic, audio, visual, electronic or other media, including computer software) developed by or on behalf of Hudson which is not generally known to the public, which Hudson has and will take precautions to maintain as confidential, and which derives at least a portion of its value to Hudson from its confidentiality. Additionally, Confidential Information includes information of any third- party doing business with Hudson (actively or prospectively) that Hudson or such third party identifies as being confidential. Confidential Information does not include any information already known to the Executive prior to any discussions with employees or directors of Hudson or information that is in the public domain or otherwise publicly available (other than as a result of a wrongful act by the Executive or of an agent or other employee of Hudson about which the Executive knew or should have known).

1.2 Agreement to Maintain the Confidentiality of Confidential Information.

The Executive acknowledges that, because of Executive's employment by Hudson, Executive will have access to such Confidential Information and to additional Confidential Information which may be developed in the future. The Executive acknowledges that all Confidential Information is the exclusive property of Hudson, or in the case of Confidential Information of a third party, of such third party. The Executive agrees to hold all Confidential Information in trust for the benefit of the owner of such Confidential Information. The Executive further agrees that Executive will use Confidential Information for the sole purpose of performing Executive's work for Hudson, and that during Executive's employment with Hudson, and at all times after the termination of that employment for any reason, the Executive will not use for

¹ Any reference in this Agreement to Hudson will be a reference also to each of its officers, directors, employees and agents, all subsidiary and affiliated entities, all benefit plans and benefit plans' sponsors and administrators, fiduciaries, affiliates, and all successors and assigns of any of them.

Executive's benefit, or the benefit of others, or divulge or convey to any third party any Confidential Information obtained by the Executive during Executive's employment by Hudson, unless it is pursuant to Hudson's prior written permission.

1.3 Return of Property.

The Executive acknowledges that Executive has not acquired and will not acquire any right, title or interest in any Confidential Information or any portion thereof. The Executive agrees that upon termination of Executive's employment for any reason, Executive will deliver to Hudson immediately, but in no event later than the last day of Executive's employment, all documents, data, computer hardware, computer programs and all other materials, and all copies thereof, including but not limited to copies of data in electronic form such as disks, tape or media cards, that were obtained or made by the Executive during Executive's employment with Hudson, which contain or relate to Confidential Information and will destroy all electronically stored versions of the foregoing. The Executive retains the right to retrieve and retain personal information.

2. Disclosure and Assignment of Inventions and Creative Works

The Executive agrees to promptly disclose in writing to Hudson all inventions, ideas, discoveries, developments, improvements, and innovations (collectively "Inventions"), whether or not patentable and all copyrightable works, including but not limited to computer software designs and programs ("Creative Works") conceived, made or developed by the Executive, whether solely or together with others, during the period the Executive is employed by Hudson. The Executive agrees that all Inventions and all Creative Works, whether or not conceived or made during working hours, that: (a) relate directly to the business of Hudson or its actual or demonstrably anticipated research or development, or (b) result from the Executive's work for Hudson, or (c) involve the use of any equipment, supplies, facilities, Confidential Information, or time of Hudson, are the exclusive property of Hudson. The Executive hereby assigns and agrees to assign all right, title and interest in and to all such Inventions and Creative Works to Hudson. The Executive understands that Executive is not required to assign to Hudson any Invention or Creative Work for which no equipment, supplies, facilities, Confidential Information or time of Hudson was used, unless such Invention or Creative Work relates directly to Hudson's business or actual or demonstrably anticipated research and development, or results from any work performed by the Executive for Hudson.

3. Future Restrictions and Notice

1.1 Non-Solicitation of Clients.

During the period of the Executive's employment with Hudson and for a period of one year from the date of termination of such employment for any reason, the Executive agrees that Executive will not, directly or indirectly, for the Executive's benefit or on behalf of any person, corporation, partnership or entity whatsoever, call on, solicit, perform services for, interfere with or endeavor to entice away from Hudson any client to whom Executive provides services at any time during the 12 month period preceding the date of termination of the Executive's employment with Hudson, or any prospective client to whom Executive had made a presentation at any time

during the 12 month period preceding the date of termination of Executive's employment with Hudson; provided, however, that this Section 3.1 shall not preclude the Executive from providing services to any such client or prospective client that are beyond the scope of the services that Hudson provides to its clients.

1.1 Non-Solicitation of Employees.

For a period of one year after the date of termination of Executive's employment with Hudson for any reason, the Executive agrees that Executive will not, directly or indirectly, hire, attempt to hire, solicit for employment or encourage the departure of any employee of Hudson, to leave employment with Hudson.

1.2 Notice to New Employer

For a period of one year after the date of termination of Executive's employment with Hudson for any reason, the Executive agrees that Executive will bring the terms of this agreement to the attention of Executive's new employer.

1.3 Acknowledgement

Executive acknowledges and agrees that the restrictions imposed by this Section 3 are reasonably necessary for the protection of the Company considering Executive's position.

4. Agreement to Arbitrate

1.1 Acknowledgment.

Hudson and the Executive (together the "Parties") further recognize that differences may arise between either of them after or during Executive's employment with Hudson.

The Parties understand and agree that by entering into this agreement to arbitrate claims, each anticipates gaining the benefit of arbitration as a speedy, impartial dispute-resolution procedure, and understands and agrees that both are voluntarily consenting to forego other types of litigation, except as specifically listed below in Section 4.3. Executive acknowledges that Executive's agreement to submit to arbitration as described in this Agreement is in consideration of and is a material inducement to Executive's employment by Hudson.

1.2 Claims Covered by this Agreement.

Hudson and Executive mutually consent to the resolution by arbitration of all claims or controversies (tort, contract or statutory), whether or not arising out of Executive's employment (or its termination), that Hudson may have against Executive or that Executive may have against Hudson ("claims"). The claims covered by this Agreement include, but are not limited to, claims for wages, bonuses, overtime pay, or other compensation due; claims for breach of any contract or covenant (express or implied); tort claims, including but not limited to, defamation, wrongful termination, invasion of privacy and intentional infliction of emotional distress; claims for discrimination (including, but not limited to, race, sex, religion, national origin, age, marital status, or medical condition or disability), harassment and/or retaliation; claims for benefits or the

monetary equivalent of benefits (except where an employee benefit or pension plan specifies that its claims procedure is subject to an arbitration procedure different from this one); and claims for violation of any federal, state, or other governmental law, statute, regulation, or ordinance, except claims excluded in the following Section 4.3.

1.3 Claims Not Covered by the Agreement.

Claims not covered by this Agreement include claims that Executive may have now or in the future for workers' compensation or unemployment benefits. Also not covered are claims by Hudson based on criminal acts of Executive, and claims for injunctive or other equitable relief for: (a) breach or threatened breach of any non-solicitation, confidentiality and/or patent or invention assignment agreements; (b) unfair competition; or (c) the misappropriation, use and/or unauthorized disclosure of trade secrets or confidential information, as to each of which Executive understands and agrees that Hudson may immediately seek and obtain relief from a court of competent jurisdiction. Employee may seek a declaratory judgment from a court of competent jurisdiction with regard to any claims or allegations relating to the (a) breach or threatened breach of any non-solicitation, confidentiality, and/or patent or invention assignment agreements, (b) unfair competition; or (c) the misappropriation, use and/or unauthorized disclosure of trade secrets or confidential information.

1.4 Arbitration Procedures.

Hudson and Executive agree that, except as provided in this Agreement, any arbitration shall be in accordance with the then-current employment dispute rules of the American Arbitration Association ("AAA"). Any arbitration shall be conducted in Milwaukee, Wisconsin, or such other location as Hudson and Executive may mutually agree in writing.

The arbitrator shall render a written award and opinion in the form typically rendered in arbitrations. The award shall be final and binding.

1.5 Arbitration Fees and Costs.

Hudson will pay the reasonable fees and costs of the arbitrator. Hudson and Executive will each pay their own respective costs and attorneys' fees, if any. However, if either Party prevails on a statutory claim that affords the prevailing party attorneys' fees, the arbitrator may award reasonable fees to the prevailing Party.

1.6 Requirements for Modification or Revocation.

This Agreement to arbitrate shall survive the termination of Executive's employment. It may only be revoked or modified by a writing signed by the parties which specifically states an intent to revoke or modify this Agreement.

1.7 Sole and Entire Agreement.

This is the complete agreement of the parties on the subject of arbitration of disputes except for any arbitration agreement in connection with any pension or benefit plan. This Agreement supersedes any prior or contemporaneous oral or written understanding on the subject,

not including the Executive's Employment Agreement with Hudson, into which this Agreement is incorporated. Executive is not relying on any representations, oral or written, on the subject of the effect, enforceability or meaning of this Agreement, except as specifically set forth in this Agreement.

4.9 Construction.

If any provision, portion or section of this Agreement is judged to be void or otherwise unenforceable, in whole or in part, such judgment will not affect the validity of the remainder of this Agreement.

4.10 Not an Employment Agreement.

This Agreement is not and shall not be construed to create any contract of employment or guarantee of employment for any specific time or under any specific terms or conditions, express or implied.

5. Miscellaneous

1.1 Enforcement.

If, at the time of enforcement of this Agreement, a court holds that any of the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area deemed reasonable under such circumstances will be substituted for the stated period, scope or area as contained in this Agreement. Because money damages may be an inadequate remedy for any breach of the Executive's obligations under this Agreement, in the event the Executive breaches or threatens to breach this Agreement, Hudson, or any successors or assigns, may, in addition to other rights and remedies existing in its favor, apply to any court of competent jurisdiction for specific performance, or injunctive or other equitable relief in order to enforce or prevent any violations of this Agreement.

1.2 Severability.

Whenever possible, each provision of this Agreement will be interpreted in such a way as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under my applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provisions, but this Agreement and/or such provision will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

1.3 Additional Rights and Causes of Action.

This Agreement is in addition to and does not in any way waive or detract from any rights or causes of action Hudson or Executive may have relating to Confidential Information or other protectable information or interests under statutory or common law or under any other agreement.

1.4 **Governing Law.**

Notwithstanding principles of conflicts of law of any jurisdiction to the contrary, all terms and provisions to this Agreement are to be construed and governed by the laws of the State of Wisconsin without regard to the laws of any other jurisdiction wherein the Executive resides or performs any duties hereunder or where any violation of this Agreement occurs.

1.5 **Successors and Assigns.**

The Agreement will inure to the benefit of and be enforceable by Hudson and its successors and assigns. The Executive may not assign the Executive's rights or delegate the Executive's obligations hereunder.

1.6 **Waivers.**

The waiver by either the Executive or Hudson of a breach by the other party of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by the breaching party.

HUDSON AND EXECUTIVE ACKNOWLEDGE THAT:

- (a) EACH HAS CAREFULLY READ THIS AGREEMENT;
- (b) EACH UNDERSTANDS ITS TERMS;
- (c) ALL UNDERSTANDINGS AND AGREEMENTS BETWEEN HUDSON AND EXECUTIVE RELATING TO THE SUBJECTS COVERED IN THE AGREEMENT ARE CONTAINED IN IT; AND
- (d) EACH HAS ENTERED INTO THIS AGREEMENT VOLUNTARILY AND NOT IN RELIANCE ON ANY PROMISES OR REPRESENTATIONS BY THE OTHER, OTHER THAN THOSE CONTAINED IN THIS AGREEMENT ITSELF.

EXECUTIVE FURTHER ACKNOWLEDGES THAT EXECUTIVE HAS BEEN GIVEN SUFFICIENT TIME AND OPPORTUNITY TO CONSIDER WHETHER TO SIGN THIS AGREEMENT AND EXECUTIVE HAS NOT BEEN FORCED OR COERCED INTO SIGNING THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Confidentiality Agreement and Mutual Agreement to Arbitrate Claims.

Jacob Zabkowicz

/s/ JAKE ZABKOWICZ

Signature of Executive

Hudson RPO Holdings LLC

/s/ JEFFREY E. EBERWEIN

Name: Jeffrey Eberwein

Title: Chief Executive Officer

Jake Zabkowitz

Printed Name of Executive

October 9, 2023

Date

Attachment B

Separation and Release of Claims Agreement

This Separation and Release of Claims Agreement ("**Agreement**") is entered into by and between Hudson RPO Holdings LLC (the "**Employer**"), on behalf of itself, its parents, subsidiaries, and other corporate affiliates, and each of their respective present and former employees, officers, directors, owners, shareholders, and agents, individually and in their official capacities (collectively referred to as the "**Employer Group**"), and Jacob Zabkowicz (the "**Employee**") (the Employer and the Employee are collectively referred to as the "**Parties**") as of [DATE] (the "**Execution Date**").

The Employee's last day of employment with the Employer was [DATE] (the "**Separation Date**"). After the Separation Date, the Employee will not represent and has not represented that the Employee is an employee, officer, attorney, agent, or representative of the Employer Group for any purpose. Except as otherwise set forth in this Agreement, the Separation Date was the employment termination date for the Employee for all purposes, meaning the Employee is not entitled to any further compensation, monies, or other benefits from the Employer Group, including coverage under any benefit plans or programs sponsored by the Employer Group, as of the Separation Date.

The Employee agrees to not seek future employment with the Employer Group.

1. **Return of Property.** The Employee warrants and represents that the Employee has returned all Employer Group property, including identification cards or badges, access codes or devices, keys, laptops, computers, telephones, mobile phones, hand-held electronic devices, credit cards, electronically stored documents or files and storage devices, physical files, and any other Employer Group property in the Employee's possession. Employee further acknowledges and agrees that Employee no longer has access to and does not claim ownership of any of Employer Group's cloud storage or social media accounts.

2. **Employee Representations.** The Employee specifically represents, warrants, and confirms that the Employee:

(a) has not filed any claims, complaints, or actions of any kind against the Employer Group with any federal, state, or local court or government or administrative agency;

(b) has not made any claims or allegations to the Employer Group related to unlawful employment practices, sexual harassment, sex discrimination, or sexual abuse, and that none of the payments set forth in this Agreement are related to any such claims or allegations;

(c) has been properly paid for all hours worked for the Employer Group;

(d) has received all salary, wages, commissions, bonuses, and other compensation due to the Employee, including the Employee's final payroll check for all salary, bonus, or other amounts due through and including the Separation Date; and

(e) has not engaged in any unlawful conduct relating to the business of the Employer Group.

If any of these statements is not true, the Employee cannot sign this Agreement and must notify the Employer immediately in writing of the statements that are not true. This notice will not automatically disqualify the Employee from receiving the benefits offered in this Agreement, but will require the Employer's further review and consideration.

3. Separation Benefits. As consideration for the Employee's execution of, non-revocation of, and compliance with this Agreement, including the Employee's waiver and release of claims in Section 4, the Employer agrees to provide the following benefits to which the Employee is not otherwise entitled:

(a) a pro-rata portion of the EBITDA Bonus and the Net Revenue Bonus, as those terms are defined in the Executive Employment Agreement executed on [DATE] ("Employment Agreement"), for fiscal year [YEAR], calculated based on 100% achievement of respective targets, but pro-rated to reflect the number of full months worked during the fiscal year (the "Pro-Rata Bonus"), to be paid at the later of (A) the time the EBITDA Bonus and the Net Revenue Bonus would normally be paid under Sections 4(c) and 4(d) of the Employment Agreement or (B) the first regular pay day after the forty-fifth (45th) day after the date of termination of employment;

(b) any RSUs described in 4(e) of the Employment Agreement which have not yet been granted or vested as of the date of termination shall be granted and deemed vested, which shall be settled on the later of (A) the time the RSUs would normally be settled under Section 4(e) of the Employment Agreement or (B) the first business day after the forty-fifth (45th) day after the date of termination of employment;

(c) the equivalent of 1.5x the Base Salary as defined in the Employment Agreement, payable in equal installments commencing on the first regular pay day after the termination of the Employee's employment with the Company and on each regular pay day thereafter through the 18-month anniversary of the termination; and

(d) reimbursement for the Employee's cost of COBRA premiums for health insurance continuation coverage (to the extent such premiums exceed the contributory cost for the same coverage that the Employer charges active employees) through the 18-month anniversary of the termination or until his right to COBRA continuation expires, whichever is shorter; provided that Executive timely elects and is eligible for COBRA coverage.

Notwithstanding the foregoing, no payment shall be made or begin before the Effective Date of this Agreement.

The Employee understands, acknowledges, and agrees that these benefits exceed what the Employee is otherwise entitled to receive on separation from employment, and that these benefits are being given as consideration in exchange for executing this Agreement, including the general release contained in it. The Employee further acknowledges that the

Employee is not entitled to any additional payment or consideration not specifically referenced in this Agreement.

4. Release.

(a) Employee's General Release and Waiver of Claims

In exchange for the consideration provided in this Agreement, the Employee and the Employee's heirs, executors, representatives, administrators, agents, insurers, and assigns (collectively, the "**Releasors**") irrevocably and unconditionally fully and forever waive, release, and discharge the Employer Group, including each member of the Employer Group's parents, subsidiaries, affiliates, predecessors, successors, and assigns, and each of its and their respective officers, directors, employees, shareholders, trustees, and partners, in their corporate and individual capacities (collectively, the "**Released Parties**"), from any and all claims, demands, actions, causes of actions, judgments, rights, fees, damages, debts, obligations, liabilities, and expenses (inclusive of attorneys' fees) of any kind whatsoever, whether known or unknown (collectively, "**Claims**"), that Releasors may have or have ever had against the Released Parties, or any of them, by reason of any actual or alleged act, omission, transaction, practice, conduct, occurrence, or other matter from the beginning of time up to and including the date of the Employee's execution of this Agreement, including, but not limited to:

(i) any and all claims under Title VII of the Civil Rights Act of 1964 (Title VII), the Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA) (regarding existing but not prospective claims), the Fair Labor Standards Act (FLSA), the Equal Pay Act, the Employee Retirement Income Security Act (ERISA) (regarding unvested benefits), the Civil Rights Act of 1991, Section 1981 of U.S.C. Title 42, the Fair Credit Reporting Act (FCRA), the Worker Adjustment and Retraining Notification (WARN) Act, the National Labor Relations Act (NLRA), the Age Discrimination in Employment Act (ADEA), the Uniform Services Employment and Reemployment Rights Act (USERRA), the Genetic Information Nondiscrimination Act (GINA), the Immigration Reform and Control Act (IRCA), all including any amendments and their respective implementing regulations, and any other federal, state, local, or foreign law (statutory, regulatory, or otherwise) that may be legally waived and released; however, the identification of specific statutes is for purposes of example only, and the omission of any specific statute or law shall not limit the scope of this general release in any manner;

(ii) any and all claims under the Wisconsin Fair Employment Act (WFEA), the Wisconsin Wage Claim and Payment Law, the Wisconsin Business Closing and Mass Layoff Law, the Wisconsin Cessation of Benefits Law, the Wisconsin Family and Medical Leave Law (WFMLL), the Wisconsin Personnel Records Statute, the Wisconsin Employment Peace Act (WEPA), all including any amendments and their respective implementing regulations, and any other state or local law (statutory, regulatory, or otherwise) that may be legally waived and released; however, the identification of specific statutes is for purposes of

example only, and the omission of any specific statute or law shall not limit the scope of this general release in any manner;

(iii) any and all claims for compensation of any type whatsoever, including but not limited to claims for salary, wages, bonuses, commissions, incentive compensation, vacation, and severance that may be legally waived and released;

(iv) any and all claims arising under tort, contract, and quasi-contract law, including but not limited to claims of breach of an express or implied contract, tortious interference with contract or prospective business advantage, breach of the covenant of good faith and fair dealing, promissory estoppel, detrimental reliance, invasion of privacy, violation of biometric and data privacy laws, nonphysical injury, personal injury or sickness or any other harm, wrongful or retaliatory discharge, fraud, defamation, slander, libel, false imprisonment, and negligent or intentional infliction of emotional distress; and

(v) any and all claims for monetary or equitable relief, including but not limited to attorneys' fees, back pay, front pay, reinstatement, experts' fees, medical fees or expenses, costs and disbursements, punitive damages, liquidated damages, and penalties.

However, this general release and waiver of claims excludes, and the Employee does not waive, release, or discharge: (A) any right to file an administrative charge or complaint with, or testify, assist, or participate in an investigation, hearing, or proceeding conducted by, the Equal Employment Opportunity Commission or similar state or local administrative agencies, although the Employee waives any right to monetary relief related to any such filed charge or administrative complaint; (B) claims that cannot be waived by law, such as claims for unemployment benefit rights and workers' compensation; (C) indemnification rights the Employee has against the Employer; and (D) any rights to vested benefits, such as pension or retirement benefits, the rights to which are governed by the terms of the applicable plan documents and award agreements.

The Releasors specifically waive the protections of any law which provides that a general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

(b) Specific Release of ADEA Claims

In further consideration of the payments and benefits provided to the Employee in this Agreement, the Releasors hereby irrevocably and unconditionally fully and forever waive, release, and discharge the Released Parties from any and all Claims, whether known or unknown, from the beginning of time through the date of the Employee's execution of this Agreement, arising under the Age Discrimination in

Employment Act (ADEA), as amended, and its implementing regulations. By signing this Agreement, the Employee hereby acknowledges and confirms that:

- (i) the Employee has read this Agreement in its entirety and understands all of its terms;
- (ii) by this Agreement, the Employee has been advised in writing to consult with an attorney of the Employee's choosing and has consulted with such counsel as the Employee believed was necessary before signing this Agreement;
- (iii) the Employee knowingly, freely, and voluntarily agrees to all of the terms and conditions set out in this Agreement including, without limitation, the waiver, release, and covenants contained in it;
- (iv) the Employee is signing this Agreement, including the waiver and release, in exchange for good and valuable consideration in addition to anything of value to which the Employee is otherwise entitled;
- (v) the Employee was given at least twenty-one (21) days to consider the terms of this Agreement and consult with an attorney of the Employee's choice, although the Employee may sign it sooner if desired and changes to this Agreement, whether material or immaterial, do not restart the running of the 21-day period;
- (vi) the Employee understands that the Employee has seven (7) days after signing this Agreement to revoke the release in this paragraph by delivering notice of revocation to [NAME] at the Employer Group, [EMPLOYER ADDRESS] by overnight delivery before the end of this seven-day period; and
- (vii) the Employee understands that the release contained in this paragraph does not apply to rights and claims that may arise after the Employee signs this Agreement.

5. Effective Date. This Agreement shall not become effective until the eighth (8th) day after the Employee signs, without revoking, this Agreement ("**Effective Date**"). No payments due to the Employee under this Agreement shall be made or begin before the Effective Date, and no payments are due to the Employee if he timely revokes this Agreement in accordance with Section 4(b)(vi).

6. Employee affirms and agrees that he remains bound by the Confidentiality, Non-Solicitation and Work Product Assignment Agreement, and Mutual Agreement to Arbitrate Claims that he executed on [DATE].

7. Cooperation. The parties agree that certain matters in which the Employee has been involved during the Employee's employment may need the Employee's cooperation with the Employer in the future. Accordingly, for a period of two years after the Separation Date, to the extent reasonably requested by the Employer, the Employee shall cooperate with the Employer regarding matters arising out of or related to the Employee's service to the Employer,

provided that the Employer shall make reasonable efforts to minimize disruption of the Employee's other activities. The Employer shall reimburse the Employee for reasonable expenses incurred in connection with this cooperation.

8. Remedies. In the event of a breach or threatened breach by the Employee of any provision of this Agreement, Employee hereby consents and agrees that money damages would not afford an adequate remedy and that Employer shall be entitled to seek a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. Any equitable relief shall be in addition to, not instead of, legal remedies, monetary damages, or other available relief.

If the Employee fails to comply with any of the terms of this Agreement or post-employment obligations contained in it, the Employer may, in addition to any other available remedies, terminate any benefits or payments that are later due under this Agreement, without waiving the releases provided in it.

The Parties mutually agree that this Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

9. Successors and Assigns.

(a) Assignment by the Employer Group

The Employer Group may freely assign this Agreement at any time. This Agreement shall inure to the benefit of the Employer Group and its successors and assigns.

(b) No Assignment by the Employee

The Employee may not assign this Agreement in whole or in part. Any purported assignment by the Employee shall be null and void from the initial date of the purported assignment.

10. Governing Law, Jurisdiction, and Venue. This Agreement and all matters arising out of or relating to this Agreement and the Employee's employment or termination of employment with Employer, whether sounding in contract, tort, or statute, for all purposes shall be governed by and construed in accordance with the laws of Wisconsin (including its statutes of limitations) without regard to any conflicts of laws principles that would require the laws of any other jurisdiction to apply.

11. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between Employer Group and Employee relating to the subject matter hereof and supersedes all prior and contemporaneous understandings, discussions, agreements, representations, and warranties, both written and oral, regarding such subject matter; provided, however, that nothing in this Agreement modifies, supersedes, voids, or otherwise alters Employee's Confidentiality, Non-Solicitation and Work Product Assignment

Agreement, and Mutual Agreement to Arbitrate Claims that he executed on [DATE] which shall remain in full force and effect.

12. Modification and Waiver. No provision of this Agreement may be amended or modified unless the amendment or modification is agreed to in writing and signed by the Employee and by [POSITION NAME] of the Employer. No waiver by any Party of any breach by any other party of any condition or provision of this Agreement to be performed by any other Party shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by any Party in exercising any right, power, or privilege under this Agreement operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.

13. Severability. If any provision of this Agreement is found by a court or arbitral authority of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, or enforceable only if modified, such finding shall not affect the validity of the remainder of this Agreement, which shall remain in full force and effect and continue to be binding on the Parties.

The Parties further agree that any such court or arbitral authority is expressly authorized to modify any such invalid, illegal, or unenforceable provision of this Agreement instead of severing the provision from this Agreement in its entirety, whether by rewriting, deleting, or adding to the offending provision, or by making such other modifications as it deems necessary to carry out the intent and agreement of the Parties as embodied in this Agreement to the maximum extent permitted by law. Any such modification shall become a part of and treated as though originally set forth in this Agreement. If such provision or provisions are not modified, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth in it. The Parties expressly agree that this Agreement as so modified by the court or arbitral authority shall be binding on and enforceable against each of them.

14. Interpretation. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph. Moreover, this Agreement shall not be construed against either Party as the author or drafter of the Agreement.

15. Counterparts. The Parties may execute this Agreement in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart's signature page of this Agreement by facsimile, email in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document has the same effect as delivery of an executed original of this Agreement.

16. No Admission of Liability. Nothing in this Agreement shall be construed as an admission by the Employee or the Employer Group of any wrongdoing, liability, or noncompliance with any federal, state, city, or local rule, ordinance, statute, common law, or other legal obligation.

17. Notices. All notices under this Agreement must be given in writing by overnight mail or other overnight delivery service at the addresses indicated in this Agreement or any other address designated in writing by either Party.

Notice to Employer Group:

[EMPLOYER'S GENERAL COUNSEL OR DESIGNATED
REPRESENTATIVE[, EMAIL,] AND COMPANY ADDRESS]

Notice to the Employee:

[EMPLOYEE'S ADDRESS [, EMAIL,] AND CONTACT INFORMATION]

18. Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (Section 409A), including the exceptions thereto, and shall be construed and administered in accordance with such intent. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service, as a short-term deferral, or as a settlement payment pursuant to a bona fide legal dispute shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, any installment payments provided under this Agreement shall each be treated as a separate payment. To the extent required under Section 409A, any payments to be made under this Agreement in connection with a termination of employment shall only be made if such termination constitutes a "separation from service" under Section 409A. Notwithstanding the foregoing, Employer Group makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall Employer Group be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

19. Acknowledgment of Full Understanding. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT THE EMPLOYEE HAS FULLY READ, UNDERSTANDS, AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT THE EMPLOYEE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EMPLOYEE'S CHOICE BEFORE SIGNING THIS AGREEMENT. THE EMPLOYEE FURTHER ACKNOWLEDGES THAT THE EMPLOYEE'S SIGNATURE BELOW IS AN AGREEMENT TO RELEASE EMPLOYER GROUP FROM ANY AND ALL CLAIMS THAT CAN BE RELEASED AS A MATTER OF LAW.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Execution Date above.

Jacob Zabkowicz

Hudson RPO Holdings LLC

Signature of Executive

Name:

Title:

Printed Name of Executive

HUDSON GLOBAL, INC.
CODE OF BUSINESS CONDUCT AND ETHICS

**(Adopted February 18, 2004
Revised May 3, 2021)**

INTRODUCTION

The Company is committed to integrity as one of its core values, therefore this Code has been approved by the Board of Directors of Hudson Global, Inc. to provide guidance for all directors and employees. In keeping with the value of integrity, all Company employees and directors are expected to maintain high ethical standards of conduct and to comply fully with applicable laws and governmental regulations. Each employee and director should read this document carefully with a commitment to upholding these standards. Operating with honesty and integrity in all matters will create an attractive working environment consistent with the Company's core values and project a positive image of the Company to customers, suppliers, stockholders, and the public at large.

Throughout this document, the term "Responsible Manager" means the senior management team member for the region or corporate function where an employee works; and the "Company's Legal Counsel" means the Corporate Counsel.

If you have questions about this Code, please speak to your supervisor, your Responsible Manager, your local or regional head of Human Resources, or the Company's Legal Counsel.

While this Code deals with major areas of concern, it cannot cover every situation, so employees and directors are expected to use their best judgment at all times, keeping in mind the high standards of integrity, respect, and responsibility to which the Company is committed.

REPORTING VIOLATIONS AND ENSURING COMPLIANCE

If an employee ever believes that this Code, a law, or a regulation has been violated, or that he or she is being asked to violate this Code, a law, or a regulation, then he or she should promptly report to his or her supervisor or Responsible Manager. Or, the employee may report the matter to his or her local or regional head of Human Resources or to the Company's Legal Counsel, who will respond as promptly and discreetly as possible with an appropriate investigation. A director of the Company should report a matter to the Chairman of the Audit Committee of the Company's Board of Directors.

To further safeguard the ability of employees to report violations of this Code without fear of reprisal, the Company, through the Audit Committee, has established procedures for receiving and handling complaints or concerns related to accounting, internal accounting controls, auditing matters, and other allegations of wrongdoing in a confidential and anonymous manner. These procedures are set forth in more detail in the Company's policy covering "Accounting, Internal

Accounting Controls, Auditing Matters, and Other Allegations of Wrongdoing (Whistleblower Hotline)”.

As soon as a matter is brought to the attention of the appropriate person, the Company will investigate fully and take appropriate steps to maintain the confidentiality of the reporting employee or director, to the extent that it can do so. In certain circumstances, further investigation or action regarding an incident may require disclosure of some personal information. Anonymity will be maintained to the greatest extent possible.

Employees and directors should be assured that no retaliation or retribution will be taken for providing information or assisting in an investigation. Any employee threatening, harassing, or in any way discriminating against an employee or director for reporting a matter will be subject to disciplinary action. Further, an employee or director found to have violated this Code will be subject to appropriate disciplinary action, ranging from warnings to possible termination.

Only the Board of Directors may waive or change provisions of this Code. To the extent required, all waivers of or changes to this Code must be publicly disclosed to comply with the requirements of the Securities and Exchange Commission, the listing standards of the Nasdaq Stock Market, and other applicable laws and regulations.

The Company’s Board of Directors is responsible for overseeing the interpretation and enforcement of this Code. Each Responsible Manager must enforce this Code for his or her employees. The Company’s Legal Counsel will be responsible for monitoring the enforcement of this Code. Questions regarding this Code not resolvable by the Company’s Legal Counsel shall be directed to the Chairman of the Audit Committee of the Board of Directors.

COMPLIANCE WITH LAWS GENERALLY

The Company’s businesses must be conducted in full compliance with all applicable laws and regulations. Any illegal action will be dealt with swiftly and violations will be reported to the proper authorities and offenders will be subject to disciplinary action by the Company. If an employee or a director has any questions on specific laws, regulations, or other legal issues, he or she should contact the Company’s Legal Counsel.

In keeping with our commitment to integrity, there may be isolated instances where local laws are unacceptable. For example, even if it were not illegal in other countries, the Company does not want to obtain or retain business by giving gifts to officials of a government or a multinational organization either to influence any of their official acts, or to induce them to use their influence to affect any governmental act. In addition, employees should never give a gift to any person or firm where he or she has reason to believe that the gift will be passed on to a government official for such purposes.

Employees and directors must never make improper gifts or payments, such as bribes or kickbacks, in any way in connection with the Company’s business.

CORPORATE OPPORTUNITIES AND CONFLICTS OF INTEREST

Employees and directors may not take personal advantage of certain business opportunities in which the Company may be interested. This “corporate opportunity doctrine” is complex. The most common types of situations falling within this doctrine prohibit employees and directors from taking advantage personally of a business opportunity that typically would be of interest to the Company; taking advantage of an opportunity discovered using Company property, business contacts or information, or that the employee becomes aware of because he or she works for the Company (or is a director of the Company); or competing with or otherwise disadvantaging the Company. If an employee or director has any question regarding whether this corporate opportunity doctrine applies, he or she should consult with the Company’s Legal Counsel.

Although employees are free to participate in outside activities, it is important that they not engage in any activity that is or gives the appearance of being a conflict of interest. Examples include:

- Being a consultant to, or a director, officer or employee of, or otherwise operating an outside business in competition with the Company’s current or potential products and services; that supplies products or services to the Company or that purchases products or services from the Company
- Having any financial interest, including stock ownership, in any such outside business that might create or give the appearance of a conflict of interest
- Seeking or accepting any personal loan or services from any such outside business, except from financial institutions or service providers offering similar loans or services to third parties under similar terms in the ordinary course of their business
- Being a consultant to, or a director, officer or employee of, or otherwise operating an outside business which would interfere with the director’s or employee’s responsibilities with the Company
- Using the Company’s property, information, or position for personal gain

Conflicts of interest may also arise through an employee’s activities for the Company, such as conducting business on behalf of the Company with immediate family members, which include spouses, children, parents, siblings, and persons sharing the same home whether or not legal relatives.

Any actually or potentially conflicting interests must be reported to the Responsible Manager or the Company’s Legal Counsel.

COMPANY INFORMATION

Company information and data are very valuable assets. Company information and data encompasses all proprietary information that is not generally available to or known by the public, and it includes information in any format.

Employees should use Company information to the extent needed to perform their jobs properly, but should remember that they are responsible for safeguarding that information from theft or misuse. Accordingly, employees cannot, directly or indirectly:

- disclose any Company information to others, including other employees, unless they have a legitimate need to know it to perform their jobs and have agreed to maintain its confidentiality;
- use Company information for any purpose other than its intended use;
- copy any documents containing Company information, or remove any documents or other records or copies from the work area, except as required to perform their jobs properly; or
- dispose of Company information inappropriately.

All Company documents, e-mail and other materials containing Company information are the Company's property. When employment or directorship ends or if the Company requests, the documents and other materials must be returned to the Company.

Many employees regularly exchange Company information with others for legitimate business reasons. As a general rule, before disclosing or receiving information, the Company must enter into an agreement, approved by the Company's Legal Counsel that describes how the parties can use and must protect the information.

Subject to applicable law, directors have an obligation to the Company and its shareholders to maintain the confidentiality of nonpublic information about the Company (and nonpublic information provided to the directors by another person or company) and not disclose such information or use it for any purpose other than its intended use.

USE OF COMPANY PROPERTY

When an employee or director uses Company property, it must be for valid corporate purposes and, except as described below, exclusively for the Company's benefit. Company property includes corporate funds, facilities, equipment, computers, software, inventory, office supplies, technologies, concepts, intellectual property, product development strategies and projects, business strategies and plans, customer lists, personnel data, marketing and sales plans, Company phone directories, organization charts, service cost and pricing data, financial data, and all other proprietary information about the Company's business and employees.

All of the Company's information systems, including communications systems, magnetic media, e-mail, voice mail, and intranet, extranet, and internet access systems are the Company's property and generally must be used only for business activities. Incidental personal use is permissible as long as it does not consume more than a trivial amount of resources, does not interfere with productivity, does not preempt any business activity, is otherwise appropriate and reasonable, and is consistent with the Company's business values and this Code. The Company reserves the right at any time to access, read, monitor, inspect and disclose the contents of, postings to, and downloads from all of the Company's information systems.

No one may use the Company's information systems to access, view, post, store, transmit, download, or distribute any profane, obscene, derogatory, harassing, offensive, or inappropriate materials. Additionally, no employee may use these systems to send Company information or copyrighted documents that are not authorized for transmittal or reproduction.

FAIR DEALINGS WITH OTHERS

The Company has clearly expressed its belief in the value of respect. Therefore, everyone should be treated with uncompromising respect, civility, and fairness. This value extends not only to employees but also to customers, suppliers, competitors, and external advisers.

CONTACT WITH THE MEDIA, THE PUBLIC OR LAWYERS

Press releases and contact with the news media, industry and securities analysts or investment bankers must be made only through or at the direction of the Chief Executive Officer or the Chief Financial Officer. All media inquiries should be directly routed to the Responsible Manager or the appropriate marketing manager. No employee (unless authorized) should answer questions or comment on, confirm or deny anything relating to company business.

If an attorney contacts an employee regarding the Company, then the employee should refer him or her to a regional lawyer of the Company or the Company's Legal Counsel. An employee should never answer questions or supply documents to lawyers outside of the Company without the prior approval of a regional lawyer of the Company or the Company's Legal Counsel. If an employee receives a summons, legal complaint, subpoena, other similar legal document concerning the Company, then the employee should immediately consult with a regional lawyer of the Company or the Company's Legal Counsel.

These policies are more fully explained in the Company's legal policies and procedures.

COMPLIANCE WITH SECURITIES LAWS

Each employee and director is expected to fully comply with the Company's Policy Prohibiting Insider Trading in Company Stock. A copy of this Policy is regularly provided to employees and directors and is posted on the intranet. Directors, executive officers of the Company, and certain key employees of the Company who have regular access to material nonpublic information regarding the Company are regularly provided with memoranda regarding additional requirements and restrictions under the federal securities laws and under the Company's policies and procedures with respect to transactions involving Company stock. Such persons are expected to fully comply with these requirements, restrictions, policies, and procedures.

ANTITRUST AND COMPETITION LAW COMPLIANCE

The Company adheres to a policy of strict conformity with antitrust and competition laws in the jurisdictions in which the Company conducts business. These laws prohibit companies from engaging in unfair, anti-competitive practices. Accordingly, employees cannot share or discuss any client proposals or pricing information with competitors. It is imperative that the Company

avoid even the appearance of a violation of antitrust or competition laws. The Company must never enter into any illegal agreements or engage in acts that create illegal agreements.

Due to the complexity of the issues involved and the seriousness of the penalties for a violation, anyone who has questions about this policy or suspects a violation of Company policy in this regard should contact the Responsible Manager or the Company's Legal Counsel for guidance.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

The Company adheres to a policy of strict conformity with employment laws in the jurisdictions in which the Company conducts business. It is the Company's policy to employ and advance in employment qualified persons with regard only to the professional capabilities of the individual as compared to the requirements of the job. Where necessary, the Company will provide reasonable accommodation for employees' disabilities or religious beliefs and practices. Anyone who has questions related to this policy should contact his or her local or regional head of Human Resources.

GENERAL ANTI-HARASSMENT POLICY

The Company expects the workplace to be a professional work environment free from physical, psychological, verbal, and non-verbal harassment.

The Company will not tolerate any forms of harassment, whether by a supervisor, employee, director, outside vendor, client, or consultant. The Company will not tolerate any form of retaliation against any person for making a complaint or cooperating in the investigation of a complaint. Complaints of harassment will be promptly and impartially investigated. Any employee who believes that he or she has been the subject of harassment or retaliation or has witnessed harassment or retaliation should report this immediately to his or her supervisor, Responsible Manager, or to his or her local or regional head of Human Resources. The Company will maintain the confidentiality of any complaints or other information regarding harassment or retaliation in accordance with established Company policy.

ACCURACY, RETENTION AND DISPOSAL OF RECORDS

Each employee is responsible for maintaining accurate documents, reports, and other records. No one may falsify or improperly alter any information contained in the Company's records.

Good business practice requires that certain Company records be retained for various time periods (e.g. financial records should generally be retained for seven years). Often this is prescribed by law and it is the responsibility of each employee to ensure that records are retained in compliance with applicable document retention policies established by the Company from time to time and with applicable laws. Documents that need not be kept should be disposed of in compliance with any such Company policies. Where litigation or a government investigation is likely or ongoing, records may not be destroyed until the Company's Legal Counsel advises that the matter has been concluded.

For questions about record retention, contact the Company's Legal Counsel, particularly if any litigation, investigation, or administrative action is (or may be) threatened or pending.

FINANCIAL AND ACCOUNTING PRACTICES

Employees and directors must comply with the Company's accounting rules, internal controls and with generally accepted accounting practices and cooperate fully with the Company's internal and external auditors. All funds, assets, transactions, and payments must be accurately reflected, and no false or misleading entries may be made on corporate records. Payments for goods and services provided to the Company must be payable to the person or company legally entitled to receive payment. Receipts must be provided for all Company payments and gifts. Employees seeking reimbursement for expenses should refer to the Company's Expense Policy.

INTELLECTUAL PROPERTY RIGHTS

Innovation will help the Company attain its vision to be the world's best at helping employers achieve success through people. Innovation requires that employees contribute to the research and development of new technologies, products, and services. All discoveries and ideas should be documented and promptly reported to designated persons in the Company. Employees should preserve and protect the intellectual property rights of the Company by maintaining discoveries and ideas in secrecy within the Company until public disclosure is authorized.

To the extent permitted by law, employees are required to assign to the Company all interest in their discoveries, inventions, ideas, trademarks, patents, and patent applications on such discoveries and copyrighted material which are developed during their relationship with the Company and are related to any business or activity of the Company. It is also the Company's policy never to knowingly infringe the intellectual property rights of others. Employees are expected to take appropriate steps to implement this policy by, for example, instituting timely searches for conflicting patents or trademarks before utilizing a newly developed technology or trademark.

POLITICAL CONTRIBUTIONS

While the Company encourages individual participation in the political process, no employee should create the impression of speaking or acting on the Company's behalf without specific authorization. Employees can only make political contributions as individuals, not as representatives of the Company. It is up to each employee to abide by all laws relating to political contributions. Employees cannot contribute any Company money, property, time, or services to any political candidate or political party, unless making such a contribution is permitted by local law and the employee has the prior written consent of the Company's Legal Counsel.

LOBBYING AND LEGISLATIVE CONTACTS

In some cases, the Company, through its senior management, may publicly offer recommendations about laws or governmental actions and take public positions on issues that affect the Company's business.

Under some circumstances, a written or personal contact with a government official may subject the person making the contact or the Company to registration and reporting requirements under applicable lobbying laws. An employee intending to contact a government official regarding any attempt to propose, defeat, or modify any law, regulation, or rule affecting the Company should obtain prior written approval for such activity from the Responsible Manager and the Company's Legal Counsel.

BUSINESS WITH GOVERNMENTS AND OFFICIALS

Most countries around the world have laws that prohibit employees from giving gifts or inducements to influence government officials, or to induce the purchase of the Company's products or services. The term "government official" includes candidates for political office, political parties, and employees of public international organizations. "Inducements" or "benefits" are also broadly defined to include anything of value. Even if it were not illegal in other countries, the Company does not want to obtain or retain business by giving gifts to officials of a government or a multinational organization either to influence any of their official acts, or to induce them to use their influence to affect any governmental act. In addition, employees should never give a gift to any person or firm where he or she has reason to believe that the gift will be passed on to a government official for such purposes.

Employees and directors must never make improper gifts or payments, such as bribes or kickbacks, in any way in connection with the Company's business.

GOVERNMENT CONTRACTING

Many countries have laws that impose strict requirements on companies who sell goods and services to it. These laws impose requirements not applicable to sales to commercial customers. Special care should be taken by all employees to assure that all information provided to a government agency in any correspondence, bid, quotation, application, certificate, or other document is true, accurate and not misleading.

The terms of any government contract must be reviewed and approved by a regional lawyer of the Company. It is essential that the Company comply strictly with these terms. All deviations must be approved in writing by a government representative with the title equivalent to "Contracting Officer."

The government may reimburse only those costs incurred in performance of, or allocated to, a specific contract. Certain types of costs are not allowed at all. Mischarging of costs is a serious offense, and clearly prohibited by the Company.

Business courtesies that are standard in the commercial marketplace may constitute illegal or improper influence when dealing with government officials. Employees shall not provide or pay for meals, refreshments, travel, or lodging expense for government employees where that is prohibited by law.

GOVERNMENTAL INVESTIGATIONS

It is the Company's policy to cooperate in the administration of all laws and regulations to which it is subject. Employees who receive notice of any governmental investigation involving the Company or any request to cooperate in a legal proceeding with regard to the Company should promptly notify the Responsible Manager and a regional lawyer of the Company or the Company's Legal Counsel. If a governmental investigator requests an interview or information, he or she should be treated courteously, given only publicly available information, and should be requested to put the inquiry in writing so that it may be answered with appropriate care by proper persons acting with the advice of a regional lawyer of the Company or the Company's Legal Counsel.

GRATUITIES AND GIFTS

Employees and directors should not accept significant gifts, entertainment, favors, or other gratuities from persons doing business or seeking to do business with the Company. These gifts could impair or appear to impair an employee's or director's ability to act independently in the best interests of the Company. Acceptance of gratuities having nominal value, if consistent with local business custom and practice, is permissible. Employees are also prohibited from giving significant gifts, entertainment, favors, or gratuities. Except as explicitly permitted by local Company policies, no employee should give or receive gifts of cash. If you have questions about the appropriateness of a gift or gratuity, please speak to your supervisor, your Responsible Manager, the applicable regional lawyer of the Company or the Company's Legal Counsel.

Subsidiaries of Hudson Global, Inc.

Subsidiary	State or jurisdiction of incorporation	Percentage owned
Hudson RPO (Aust) Pty Ltd	Australia	100 %
Hudson Global Resources Belgium NV	Belgium	100 %
Hudson Global Recursos Humanos Ltda	Brazil ^(a)	100 %
James Botrie and Associates, Inc.	Canada	100 %
Tenpath Tech Pros ULC	Canada	100 %
Hudson RPO (Shanghai) Limited	China	100 %
Hudson COIT, Inc.	Delaware	100 %
Karani, LLC	Delaware	100 %
247Hire LLC (formerly known as 247 Talent, LLC and Tenpath, LLC)	Delaware	100 %
Hudson Highland Group Holdings International, LLC	Delaware ^(a)	100 %
Hudson RPO Holdings LLC	Delaware	100 %
Hudson RPO Germany GmbH	Germany	100 %
Hudson RPO (Hong Kong) Limited	Hong Kong	100 %
Hudson RPO (India) Private Limited (formerly known as Hudson Talent Management (India) Private Limited)	India	100 %
247Hire India Private Limited (formerly known as Tenpath Solutions Private Limited)	India	100 %
Hunt & Badge Consulting Private Limited	India	100 %
Hudson RPO (Ireland) Limited	Ireland	100 %
Hudson Europe BV	Netherlands	100 %
Hudson RPO (NZ) Limited	New Zealand	100 %
Hudson Global Resources Management, Inc.	Pennsylvania	100 %
Hudson RPO Philippines Inc.	Philippines	100 %
Hudson RPO Sourcing Inc.	Philippines	100 %
Tenpath Global Solutions Inc	Philippines	100 %
Hudson RPO (Singapore) Pte Limited	Singapore	100 %
Hudson Global Resources (Singapore) Pte Ltd	Singapore	100 %
Hudson Global Resources Switzerland AG	Switzerland	100 %
Hudson RPO Limited	United Kingdom	100 %

Listed above are certain directly or indirectly owned Hudson Global, Inc. subsidiaries included in the Consolidated Financial Statements of Hudson Global, Inc. Unlisted subsidiaries, considered in the aggregate, do not constitute a significant subsidiary.

(a) Dormant company and has no activities.

Consent of Independent Registered Public Accounting Firm

Hudson Global, Inc.
Old Greenwich, Connecticut

We hereby consent to the incorporation by reference in the registration statement on Form S-3 (No. 333-265936) and Form S-8 (Nos. 333-265122, 333-212941, 333-182973, 333-176007, 333-161170, 333-161171, 333-126915, 333-117005, 333-117006, 333-104212, 333-104210, and 333-104209) of Hudson Global, Inc. of our report dated March 14, 2024, relating to the Consolidated Financial Statements which appear in this Annual Report on Form 10-K.

/s/ Wolf & Company, P.C.

Boston, Massachusetts

March 14, 2024

Consent of Independent Registered Public Accounting Firm

Hudson Global, Inc.
Old Greenwich, Connecticut

We hereby consent to the incorporation by reference in the registration statement on Form S-3 (No.333-265936) and Form S-8 (Nos. 333-265122, 333-212941, 333-182973, 333-176007, 333-161170, 333-161171, 333-126915, 333-117005, 333-117006, 333-104212, 333-104210, and 333-104209) of Hudson Global, Inc. of our report dated April 14, 2023, relating to the Consolidated Financial Statements which appear in this Annual Report on Form 10-K.

/s/ BDO USA, PC

New York, New York

March 14, 2024

CERTIFICATIONS

I, Jeffrey E. Eberwein, certify that:

1. I have reviewed this annual report on Form 10-K of Hudson Global, 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 function):
 - (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.

Dated: March 14, 2024

/s/ JEFFREY E. EBERWEIN

Jeffrey E. Eberwein
Chief Executive Officer

CERTIFICATIONS

I, Matthew Diamond, certify that:

1. I have reviewed this annual report on Form 10-K of Hudson Global, 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 function)
 - (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.

Dated: March 14, 2024

/s/ MATTHEW K. DIAMOND

Matthew K. Diamond
Chief Financial Officer

**Written Statement of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Executive Officer of Hudson Global, Inc. (the "Company"), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JEFFREY E. EBERWEIN

Jeffrey E. Eberwein

March 14, 2024

**Written Statement of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Financial Officer of Hudson Global, Inc. (the “Company”), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 31, 2023 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MATTHEW K. DIAMOND

Matthew K. Diamond

March 14, 2024

UNANIMOUS WRITTEN CONSENT

**OF THE
BOARD OF DIRECTORS
OF
HUDSON GLOBAL, INC.**

November 29, 2023

The undersigned, constituting all of the members of the Board of Directors (the “Board”) of Hudson Global, Inc., a Delaware corporation (the “Company”), acting in lieu of a meeting in accordance with Section 141(f) of the General Corporation Law of Delaware and Article III, Section 11 of the Amended and Restated By-laws of the Company, hereby adopt the following resolutions with the same force and effect as if adopted at a meeting of the Board duly called and held:

Approval of Clawback Policy

WHEREAS, the Board believes it in the best interests of the Company to establish policies that reinforce the Company’s pay-for-performance compensation philosophy and ensure accurate and honest financial reporting; and

WHEREAS, in connection with the application of NASDAQ Listing Rule 5608, the Board wishes to adopt that certain Hudson Global, Inc. Incentive-Based Compensation Clawback Policy in the form attached hereto as Exhibit A (the “Policy”), which provides for the clawback of certain compensation in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirements; and

WHEREAS, the Board wishes to delegate responsibility for the administration of the Policy to the Compensation Committee of the Board (the “Compensation Committee”); and

WHEREAS, the Board deems it advisable, fair and in the best interests of the Company to authorize and approve the Policy.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes and approves the form, terms, and provisions of the Policy, in the form presented to the Board as of the date set forth above, along with all documents prepared in connection with the Policy; and it is further

RESOLVED, that the Board hereby authorizes and approves the delegation to the Compensation Committee of all rights, responsibilities and obligations related to the administration of the Policy in accordance with its terms.

General Enabling

RESOLVED, that the executive officers of the Company be, and each executive officer hereby is, authorized and empowered, in the name and on behalf of the Company, to execute all such further documents, certificates or instruments, and to take all such further action, as any such officer may deem necessary, proper, convenient or desirable in

order to carry out the foregoing resolutions and fully to effectuate the purposes and intents thereof; and it is further

RESOLVED, that any actions previously taken by any officer or director of the Company in connection with the foregoing resolutions be, and they hereby are, approved, adopted and ratified in all respects as the acts and deeds of the Company.

IN WITNESS WHEREOF, the undersigned, being all of the members of the Board of the Company, have executed this consent in counterparts, effective on the date set forth above.

/s/ MIMI DRAKE

Mimi K. Drake

/s/ CONNIA NELSON

Connia M. Nelson

/s/ JEFFREY E. EBERWEIN

Jeffrey E. Eberwein

/s/ ROBERT G. PEARSE

Robert G. Pearse

Exhibit A

Hudson Global, Inc. Incentive-Based Compensation Clawback Policy

See attached.

HUDSON GLOBAL, INC.
INCENTIVE-BASED COMPENSATION CLAWBACK POLICY

Hudson Global, Inc. (“Company”) has adopted this clawback policy (the “Policy”) as a supplement to any other clawback policies in effect now or in the future at the Company. To the extent this Policy applies to compensation payable to a covered person, it shall be the only clawback policy applicable to such compensation and no other clawback policy shall apply. However, notwithstanding the last sentence, if another Company policy provides that a greater amount of compensation shall be subject to clawback, such other policy shall apply, but only, to the amount in excess of the amount subject to clawback under this Policy.

This Policy shall be interpreted to comply with the clawback rules found in 229 C.F.R. §240.10D and Nasdaq Listing Rule 5608, which will take effect on October 2, 2023 (collectively, the “Rule”). To the extent this Policy is in any manner deemed inconsistent with the Rule, this Policy shall be treated as retroactively amended to be compliant with the Rule.

1. Definitions. As used in the Policy, the following capitalized terms shall have the meanings set forth in this Section 1. Terms used herein shall at all times be interpreted in accordance with 229 C.F.R. §240.10D-1(d) and any other guidance that may be issued under the Rule.

(a) “Executive Officer” shall mean the Company’s president, principal financial officer, principal accounting officer, any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive Officers of the Company’s subsidiaries are deemed Executive Officers of the Company if they perform such policy making functions for the Company. Identification of an Executive Officer for purposes of this Policy includes, at a minimum, Executive Officers identified pursuant to 17 C.F.R. §229.401(b).

(b) “Financial Reporting Measure” means measures, including but not limited to stock price and total shareholder return, that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the Securities Exchange Commission.

(c) “Incentive-Based Compensation” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures.

2. Application of the Policy. This Policy shall only apply in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct one or more errors in a previously issued financial statements that is or are material to such financial statements, or that would result in a material misstatement if the error or errors were corrected in the current period or left uncorrected in the current period.

3. Recovery Period. The Incentive-Based Compensation subject to clawback is the Incentive-Based Compensation Received during the three completed fiscal years immediately preceding the date that the Company is required to prepare an accounting restatement as described in Section 2, provided that the person served as an Executive Officer at any time during the performance period applicable to the Incentive-Based Compensation in question. The date that the Company is required to prepare an accounting restatement shall be determined pursuant to 229 C.F.R. §240.10D-1(b)(1)(ii).

(a) For purposes of this Policy, Incentive-Based Compensation is deemed “Received” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of such period.

(b) Notwithstanding anything to the contrary, this Policy shall only apply if the Incentive-Based Compensation is Received on or after October 2, 2023.

(c) To the extent applicable, 229 C.F.R. §240.10D-1(b)(1)(i) shall govern certain circumstances under which the Policy will apply to Incentive-Based Compensation Received during a transition period arising due to a change in the Company’s fiscal year.

4. Erroneously Awarded Compensation. The amount of Incentive-Based Compensation subject to clawback pursuant to this Policy (“Erroneously Awarded Compensation”) is the amount of Incentive-Based Compensation Received that exceeds the amount of Incentive Based-Compensation that otherwise would have been Received had it been determined based on the restated amounts and shall be computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an accounting restatement:

(a) the amount shall be based on a reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received; and

(b) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the exchange on which the Company’s shares are listed.

5. Recovery of Erroneously Awarded Compensation. The Company shall recover reasonably promptly any Erroneously Awarded Compensation except to the extent that the conditions of paragraphs (a), (b), or (c) below apply. The Compensation Committee of the Company’s Board of Directors (the “Committee”) shall determine the repayment schedule for each amount of Erroneously Awarded Compensation in a manner that complies with the Rule’s “reasonably promptly” requirement. Such determination shall be consistent with any applicable legal guidance, by the SEC, judicial opinion, or otherwise. The determination of “reasonably promptly” may vary from case to case and the Committee is authorized to adopt additional rules to further describe what repayment schedules satisfy this requirement.

(a) Erroneously Awarded Compensation need not be recovered if the direct expense paid to a third party to assist in enforcing the Policy (e.g., reasonable legal expenses and consulting fees) would exceed the amount to be recovered and the Committee makes a determination that recovery would be impracticable. However, before concluding that it would be impracticable to recover any amount of Erroneously

Awarded Compensation based on expense of enforcement, the Company shall make a reasonable attempt to recover such Erroneously Awarded Compensation, establish that the direct costs of recovery exceed the recovery amounts, document such reasonable attempt(s) to recover, and provide such documentation to the exchange on which the Company's shares are listed.

(b) Erroneously Awarded Compensation need not be recovered if recovery would violate home country law, provided such law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company shall obtain an opinion of home country counsel, acceptable to the exchange on which the Company's shares are listed, that recovery would result in such a violation and shall provide such opinion to such exchange.

(c) Erroneously Awarded Compensation need not be recovered if recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company or its subsidiaries, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

6. Committee decisions. Decisions of the Committee with respect to this Policy shall be final, conclusive, and binding on all Executive Officers subject to this Policy, unless determined to be an abuse of discretion.

7. No Indemnification. Notwithstanding anything to the contrary in any other policy of the Company or any agreement between the Company and an Executive Officer, no Executive Officer shall be indemnified by the Company against the loss of any Erroneously Awarded Compensation.

8. Agreement to Policy by Executive Officers. The Committee shall take reasonable steps to inform Executive Officers of this Policy and obtain their acknowledgement of this Policy, which steps may include the inclusion of this Policy as an attachment to any award that is or has been accepted by the Executive Officer.