

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

Current Report

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

Date of report (Date of earliest event reported):
April 22, 2020

Barrett Business Services, Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation)

0-21886

(Commission File Number)

52-0812977

IRS Employer Identification No.

8100 N.E. Parkway Drive, Suite 200
Vancouver, Washington 98662
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code: (360) 828-0700

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instruction A.2 below):

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

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

Title of each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.01 per share	BBSI	The Nasdaq Stock Market LLC

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

Emerging growth company

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

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) As previously reported, on March 5, 2020, Barrett Business Services, Inc. (the “Company”), and Michael L. Elich, President and Chief Executive Officer of the Company, mutually agreed that Mr. Elich would depart the Company and resign from the Company’s Board of Directors (the “Board”) effective as of March 5, 2020.

(c) Also on March 5, 2020, the Company announced that Gary E. Kramer had been appointed to fill Mr. Elich’s vacant position as President and Chief Executive Officer, and that Anthony Harris had been appointed to fill Mr. Kramer’s position as CFO and Principal Accounting Officer under the title Vice President-Finance, Secretary and Treasurer. Both appointments were effective March 5, 2020.

(e) Mr. Elich and the Company entered into a Separation and Release Agreement on April 22, 2020. Under the agreement, Mr. Elich will be paid \$1,200,000 in cash in a lump sum, subject to applicable payroll taxes and deductions. The agreement provides for a mutual release of all claims and a mutual nondisparagement clause. The Compensation Committee of the Board (the “Compensation Committee”) reviewed and approved the terms of the agreement with Mr. Elich prior to its execution. A copy of the agreement is filed as Exhibit 10.1 to this report and is incorporated herein by reference.

On April 22, 2020, with the approval of the Compensation Committee, the Company entered into employment agreements (the “Employment Agreements”) with its three executive officers, each with an effective date of March 5, 2020. Each of the Employment Agreements has a term ending on July 1, 2023, with a one-year extension each year beginning on July 1, 2021, unless either the Company or the executive gives notice to the other party of nonrenewal at least 90 days in advance. The Employment Agreements are filed as Exhibits 10.2 through 10.4 to this report and are incorporated herein by reference, and include definitions of the terms cause, change in control and good reason, among other matters.

During the term of the Employment Agreements, the executives will be entitled to salary, annual cash incentive compensation, health and other employee benefits, and stock-based awards as approved by the Compensation Committee under the Company’s executive compensation program. The general parameters of the Company’s executive compensation program are described in its definitive proxy statement filed with the Securities and Exchange Commission on April 24, 2020.

The Employment Agreements provide for annual base salaries in 2020 as follows: Mr. Kramer, \$725,000; Mr. Blotz, \$500,000; and Mr. Harris, \$350,000. The Employment Agreements also provide for grants of RSUs and performance shares in 2020 with a total grant date fair value, based on the closing sale price on the date of grant, as follows: Mr. Kramer, \$580,000; Mr. Blotz, \$650,000; and Mr. Harris, \$420,000.

In addition, the Employment Agreements provide that each executive will be eligible to participate in the Company’s annual cash incentive award program. For 2020, target incentive bonuses are tied 75% to the achievement of corporate performance goals and 25% to the achievement of individual performance goals, in each case as established by the Compensation Committee in its sole discretion. The target amounts for each executive are: Mr. Kramer, \$725,000; Mr. Blotz, \$400,000; and Mr. Harris, \$280,000. The Employment Agreements permit future upward adjustments to annual base salary and target cash incentive bonus levels in the discretion of the Compensation Committee.

If an executive’s employment is terminated by the Company other than for cause, disability or death, or by the executive for good reason, in the absence of a change in control of the Company, the Employment Agreements provide for payment of cash severance in a lump sum in an amount equal to the sum of annual base salary plus target cash incentive bonus for Messrs. Blotz and Harris and an amount equal to 1.5 times that sum for Mr. Kramer.

If an executive's employment is terminated other than for cause, disability or death, or by the executive for good reason, during a period beginning 3 months before and ending 24 months after a change in control, each executive would be entitled to a lump sum cash payment equal to 3 times the sum of annual base salary plus target cash incentive bonus, generally within 30 days after the later of the change in control or the termination. If payment of these benefits would result in an "excess parachute payment" as defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), such payments will be reduced to the largest amount that will result in no portion of the payments being subject to the excise tax imposed by Code Section 4999.

Payment of the severance benefits described above is conditional on the delivery by the executive of a release of claims against the Company. The Employment Agreements also include noncompetition and nonsolicitation provisions that apply throughout an executive's employment with the Company, as well as after termination of his employment, regardless of the reason, for a period of 18 months for Mr. Kramer and 12 months for Messrs. Blotz and Harris. The prohibition on competition applies to specified relationships with any business involved in the planning, development, offer or sale of any products or services similar to those offered, sold, planned or developed by the Company in any geographic area where the Company was doing business during the three months preceding termination of the executive's employment.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

See Exhibit Index below.

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
<u>10.1</u>	<u>Separation and Release Agreement between the Company and Michael Elich dated April 22, 2020</u>
<u>10.2</u>	<u>Employment Agreement between the Company and Gary Kramer dated April 22, 2020</u>
<u>10.3</u>	<u>Employment Agreement between the Company and Gerald Blotz dated April 22, 2020</u>
<u>10.4</u>	<u>Employment Agreement between the Company and Anthony Harris dated April 22, 2020</u>

SIGNATURES

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

April 24, 2020

/s/ Anthony J. Harris
By: Anthony J. Harris
Vice President – Finance, Treasurer and Secretary

SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION AND RELEASE AGREEMENT ("Agreement") is made by and among Barrett Business Services, Inc. ("BBSI"), and Michael L. Elich, an individual residing at [●], WA 98607 ("Employee"). "BBSI" and "Employee" are collectively referred to as the "Parties." The Parties agree as follows:

1. Background. Employee was formerly employed as BBSI's President and Chief Executive Officer. Employee resigned as President and Chief Executive Officer and as a director of BBSI on March 5, 2020, and Employee's employment with BBSI also ended as of March 5, 2020 ("Termination Date"). BBSI has offered Employee severance pay, beyond which Employee would otherwise be entitled, in consideration of Employee's release and waiver of all claims against BBSI arising from Employee's employment with and termination of employment from BBSI. Employee has been given adequate time within which to consider this Agreement under the advice of an attorney of their choice and enters into this Agreement voluntarily. Employee wishes to accept the severance pay and agrees to abide by the covenants, terms and conditions set forth in this Agreement.

2. Effective Date. Unless otherwise revoked by Employee as provided in Paragraphs 17 and 18 below, this Agreement shall be effective on the eighth (8th) day following the date Employee signs and returns this Agreement to BBSI (the "Effective Date").

3. Separation Pay. As separation pay, BBSI agrees to pay Employee the lump sum of \$1,200,000 (one million two hundred thousand dollars). The separation pay is consideration for the terms of this Agreement, and Employee acknowledges the adequacy of this consideration. BBSI shall make the lump sum payment within fourteen (14) days of the date that Employee signs this Agreement, so long as Employee does not revoke it pursuant to Section 16. The separation pay shall be subject to all applicable payroll taxes and deductions. Employee acknowledges and understands that it is Employee's responsibility to comply with any obligation to pay taxes with respect to any proceeds received from BBSI in connection with this Agreement, and Employee agrees to indemnify and hold BBSI harmless from any failure on Employee's part to comply with those obligations. BBSI will also reimburse employee for all business expenses previously submitted including expenses in the amounts respectively of \$55,320.34 and \$1,217.98. BBSI shall make such reimbursements within fourteen (14) days of the date that Employee signs this Agreement, so long as Employee does not revoke it pursuant to Section 16.

4. Release by Employee. In consideration of the promises made and the separation pay provided herein, Employee hereby fully and forever waives, releases and discharges and covenants not to sue BBSI and its current and future agents, employees, attorneys, insurers, officers, shareholders, directors, parent companies, subsidiaries and related companies and entities (collectively the "Released Parties") from and against any and all liabilities, claims, demands, actions and causes of action, suits, charges, damages, or other demands or claims of any kind whatsoever known or unknown, foreseen or unforeseen, including but not limited to those involving any matter arising out of or in any way related, directly or indirectly, to Employee's employment with BBSI or the termination thereof (the "Claims"). The Parties agree and acknowledge that the Claims released include, but are not limited to, any Claims or actions based upon any common law tort action, breach of contract, breach of the covenant of good faith and fair dealing, misrepresentation, promissory estoppel, wrongful discharge, fraud, defamation, privacy violations, interference with contract, infliction of emotional distress, hiring, rehire or reemployment rights, and any and all discrimination claims or rights to sue that might be available to Employee under federal, state, or local statutes, laws, regulations or ordinances, including but not limited to Title VII of the Civil Rights Act; the Americans with Disabilities Act, as amended by the ADA Amendments Act of 2008; the Family and Medical Leave Act; the Fair Labor Standards Act; the Employee Retirement Income Security Act; the OFCCP laws and related regulations, including Section 503 of the Rehabilitation Act, Section 4212 of the Vietnam Era Veterans Readjustment Act, and Executive Order 11246, as amended; the Fair Credit Reporting Act; and any provisions of the Oregon Constitution, and Oregon statutes and regulations concerning whistleblowing, civil rights, wages and hours, employee leaves, and any other statutes pertaining to employment.

5. Claims Not Released by Employee. The general release and waiver of claims in paragraph 6 does not require Employee to waive, release, or discharge any claims that Employee cannot lawfully waive, including without limitation claims for unemployment benefits, or workers' compensation benefits, and Employee represents that to the extent Employee has suffered a work-related injury in the course of Employee's employment with BBSI, Employee has already reported such injury to BBSI. Employee's release does not prohibit Employee from filing with a charge with the Equal Employment Opportunity Commission, or other similar federal or state administrative agencies, although Employee waives any right to monetary relief related to such an administrative charge or complaint or in an associated lawsuit. Employee's release does not waive any rights to vested benefits, such as pension or retirement benefits, the rights to which are governed by the terms of applicable plan documents. Employee does not release existing rights to indemnification pursuant to the certificate of incorporation and/or by-laws or otherwise, and shall continue to benefit from D&O and other insurance coverages to the same extent as other former BBSI executives generally.

6. Release of Employee by BBSI. In consideration of the promises made herein, BBSI hereby fully and forever waives, releases and discharges and covenants not to sue Employee and his current and future agents, employees, attorneys, insurers, and his heirs, executors and assigns (collectively the "Employee Released Parties") from and against any and all liabilities, claims, actions and causes of action, suits, charges, damages, or other demands or claims of any kind whatsoever known or unknown, foreseen or unforeseen, including but not limited to those involving any matter arising out of or in any way related, directly or indirectly, to Employee's employment with BBSI or the termination thereof (the "Company Claims"). The Parties agree and acknowledge that the Company Claims released include, but are not limited to, any Claims or actions based upon any common law tort action, breach of contract, breach of the covenant of good faith and fair dealing, misrepresentation, promissory estoppel, wrongful discharge, fraud, defamation, privacy violations, and interference with contract.

Employee represents that he is currently not aware of (1) any potential claims against him or Company that have not been disclosed to Company or (2) any facts that reasonably could give rise to a claim against him or the Company that have not been disclosed to Company. Employee understands that Company has relied upon this representation in executing this release of Employee.

7. No Pending Lawsuits. The Parties represent that each has not filed any lawsuits against the other or any of the other Released Parties or the Employee Released Parties. Except as otherwise permitted under paragraphs 5 and 8, Employee promises and agrees that Employee will not do so at any time in the future with respect to any Claims which arose on or before the Effective Date of this Agreement.

8. Protected Rights. Nothing in this Agreement is intended to or shall interfere with Employee's rights under federal or state laws to file a charge or complaint with any federal or state regulatory authority ("Government Agencies"). Employee further understands that this Agreement does not limit Employee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted, without notice to BBSI. However, Employee expressly waives and releases any right of Employee to recover monetary relief related to such an administrative charge or complaint or in an associated lawsuit.

9. Ownership of Claims by Employee. Employee represents and warrants that Employee has not assigned or transferred any Claim against the Released Parties to any third party. Employee further agrees to indemnify, defend and hold harmless each and all of the Released Parties against any and all Claims based on, arising out of or in connection with any such transfer or assignment, or purported transfer or assignment, of any Claims or any portion thereof or interest therein.

10. Earned Salary and Benefits. Employee acknowledges receipt of Employee's compensation and benefits earned and vested through the Termination Date.

11. Continued Obligation Regarding Disclosure of BBSI Information. Employee acknowledges and reaffirms his continuing duties to protect information of BBSI, as stated in Paragraph 7 of his Employment Agreement with BBSI, which became effective October 1, 2001. Employee further acknowledges and reaffirms BBSI's continuing rights to enforce that paragraph, including the right to injunctive relief, in addition to any other rights, damages, or remedies BBSI may have in law or equity. Pursuant to the Defend Trade Secrets Act of 2016, 18 U.S.C. § 1833(b), Employee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law, or (ii) is made in a complaint or other document filed in a proceeding, if such filing is made under seal.

12. Continuing Covenants of Employee. Employee acknowledges and reaffirms his covenants to BBSI, as stated in Paragraph 8 of his Employment Agreement with BBSI, which became effective October 1, 2001. Those covenants include Employee's covenants not to compete, and not to solicit BBSI customers or employees. Employee further acknowledges and reaffirms BBSI's continuing rights to enforce that paragraph, including the right to injunctive relief, in addition to any other rights, damages, or remedies BBSI may have in law or equity.

13. Continuing Duty to Cooperate. Employee agrees to cooperate with BBSI in the defense of third-party legal claims or administrative charges that concern events that occurred during Employee's tenure at BBSI. Employee agrees to make himself reasonably available after the Termination Date to assist BBSI in defense of those claims or charges. Employee will be reimbursed for expenses incurred in connection with such cooperation and to the extent that such cooperation exceeds 20 hours Employee will be compensated at the rate of \$700 per hour.

14. Non-disparagement. The Parties agree that they wish to end their relationship and part company in an amicable manner. Accordingly, and except as otherwise permitted under paragraphs 5 and 8 or as otherwise required by law, Employee agrees to not disparage, criticize, or demean Company, its work, services, or personnel to any third party or through any media, social media platform, or other publication. In addition, except as otherwise required by law, Company agrees that its officers and directors as of the Effective Date of this Agreement will not disparage, criticize, or demean Employee or his work or services to any third party or through any media, social media platform, or other publication. Nothing in this Agreement shall be construed to limit any person's ability to communicate with any Government Agencies regarding a potential violation of federal or state laws or regulations.

15. Return of BBSI Property. Employee represents and warrants that Employee has made reasonable efforts to locate BBSI property he may possess and has or shall promptly return to BBSI all such property in Employee's possession, including, but not limited to computers, phones, smart phones, tablets, electronic storage devices, customer information, and all tangible and intangible property belonging to BBSI or relating to Employee's employment with BBSI. Employee further represents and warrants that to the best of his knowledge Employee has not retained copies, electronic or otherwise, of such property. If Employee discovers additional BBSI property in his possession in the future, Employee shall promptly return it.

16. Age Discrimination in Employment Act Acknowledgments. In conjunction with the Age Discrimination in Employment Act:

A. Employee acknowledges that Employee has had a reasonable time within which to consider this Agreement before executing it, and that no one coerced or hurried Employee into executing this Agreement;

B. Employee acknowledges that Employee has carefully read and fully understands all of the provisions of this Agreement, and declares that the Agreement is written in a manner that Employee understands;

C. Employee acknowledges that Employee understands that Employee is, through this Agreement, releasing BBSI and all Released Parties from any and all claims Employee may have against them and that this Agreement constitutes a release and discharge of claims arising under the Age Discrimination in Employment Act, 29 U.S.C. §§ 621-634, including the Older Workers' Benefit Protection Act, 29 U.S.C. § 626(f) ("OWBPA");

D. Employee declares that Employee's agreement to all of the terms set forth in this Agreement is knowingly and is voluntary;

E. Employee knowingly and voluntarily intends to be legally bound by the terms of this Agreement;

F. Employee acknowledges and agrees that through this Agreement, Employee is receiving consideration in addition to anything of value to which Employee is already entitled;

G. Employee acknowledges that Employee was advised and hereby is advised in writing to consider the terms of this Agreement and consult with an attorney of Employee's choice prior to executing this Agreement;

H. Employee acknowledges that Employee understands that rights or claims that may arise after the date this Agreement is executed are not waived;

I. Employee understands that Employee has twenty-one (21) days to consider this Agreement, and in the event Employee decides to execute this Agreement in fewer than twenty-one (21) days, Employee has done so with the express understanding that Employee has been given and declined the opportunity to consider the Agreement for a full twenty-one (21) days and is knowingly and voluntarily waiving the balance of the twenty-one (21) day period;

J. Employee acknowledges that changes to the form of this Agreement, whether material or immaterial, shall not restart the running of the twenty-one (21) day period; and

K. Employee acknowledges that Employee may revoke this Agreement at any time within seven (7) days after Employee executes the Agreement and that this Agreement is not effective or enforceable until the eighth day following the execution of the Agreement.

17. Return and Revocation of Agreement. This Agreement must be signed by Employee and delivered to BBSI by the close of business on April 24, 2020, or the separation pay offer contained within this Agreement will automatically terminate. The signed Agreement must be personally delivered to P.K. Runkles-Pearson, Miller Nash Graham & Dunn LLP, 111 SW Fifth Ave., Suite 3400, Portland OR 97201, mailed to and received by her, or emailed to her at p.k.runkles-pearson@millernash.com, with the original to follow via mail. Employee shall have seven (7) days after signing and returning this Agreement to revoke Employee's approval and void the Agreement in its entirety. Any revocation of this Agreement within this seven (7) day period should be submitted in writing and state "I hereby revoke my agreement to the Employment Separation Agreement and General Release." The revocation must be personally delivered to P.K. Runkles-Pearson, Miller Nash Graham & Dunn LLP, 111 SW Fifth Ave., Suite 3400, Portland OR 97201, mailed to and received by her, or emailed to her at p.k.runkles-pearson@millernash.com with the original to follow via mail. Regardless of the delivery method, Ms. Runkles-Pearson must receive the revocation within seven (7) days of the date this Agreement was signed by Employee and returned to Ms. Runkles-Pearson. If Employee revokes and voids this Agreement, Employee will not be entitled to the separation pay identified in Paragraph 3.

18. Other Terms. BBSI cannot guarantee whether or not Employee will be found eligible for or will be provided benefits under any claim made for unemployment.

19. No Admission of Liability. This Agreement shall not be in any way construed as an admission by BBSI that it has acted wrongfully with respect to Employee or any other person.

20. Binding Effect. This Agreement shall be binding on the Parties and their heirs, administrators, representatives, executors, successors and assigns and shall inure to their benefit and that of their heirs, administrators, representatives, executors, successors and assigns.

21. Severability. The provisions of this Agreement are severable. If any provision of this Agreement is held to be invalid or unenforceable, it shall not affect the validity or enforceability of any other provision of this Agreement.

22. Entire Agreement. This Agreement sets forth the entire agreement between BBSI and Employee and supersedes all prior oral or written agreements or understandings, if any, between BBSI and Employee concerning the subject matter of this Agreement. This Agreement may not be altered, amended or modified, except by a subsequent written document signed by BBSI and Employee.

23. Waiver. The failure of any Party to insist upon strict performance of any of the terms and provisions of this Agreement shall not be construed as a waiver or relinquishment of any such terms or conditions or of any other term or condition and the same shall be and remain in full force and effect. No waiver shall be claimed as to any term or provision of this Agreement unless such waiver is in writing and signed by the Parties.

24. Attorneys' Fees. The Parties agree to pay their own attorney fees and costs incurred in the preparation and review of this Agreement. In the event of any dispute or legal or equitable action arising from this Agreement, the substantially prevailing party shall be entitled to its reasonable attorney's fees and costs.

25. Governing Law, Venue and Forum. This Agreement shall be construed in accordance with the laws of the state of Washington. The Parties agree that the proper venue for any proceeding brought in state court pursuant to this Agreement shall be in Clark County, Washington.

26. Code Section 409A. This Agreement is intended to be interpreted and applied so that the payments and benefits set forth herein will be exempt from the requirements of Internal Revenue Code Section 409A. Accordingly, to the maximum extent permitted, this Agreement will be interpreted to be exempt from Internal Revenue Code Section 409A.

27. Acknowledgment by Employee.

A. Employee acknowledges that Employee was free to and was advised and encouraged to retain an attorney to thoroughly discuss all aspects of this Agreement, and specifically, Employee's knowing and voluntary waiver and release of rights as provided in paragraph 4, above. Employee has carefully read and fully understands all the provisions of this Agreement, and Employee is knowingly, voluntarily and of Employee's own free will entering into this Agreement.

B. Employee acknowledges that the separation pay Employee is to receive under the terms of this Agreement in exchange for Employee's release and waiver is consideration to which Employee would not otherwise be entitled and that the consideration set forth herein is adequate and satisfactory.

C. Employee acknowledges that Employee's employment with BBSI has been permanently and irrevocably severed on or before the Termination Date and that BBSI has no obligation to re-hire, re-employ, recall or hire Employee in the future.

[signature page follows]

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF CERTAIN KNOWN OR UNKNOWN CLAIMS.

Read, Understood and Agreed to:

Employee:

/s/ Michael Elich

Michael L. Elich

Date: 4/22/2020

Barrett Business Services, Inc.:

By: /s/ Gary Kramer

Its: President and Chief Executive Officer

Date: 4/22/2020

SEPARATION AND RELEASE AGREEMENT

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EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is entered into this 22nd day of April, 2020, by and between Barrett Business Services, Inc. ("Company"), and Gary Kramer Jr. ("Employee") (collectively, the "Parties"), and is effective as of March 5, 2020 (the "Effective Date").

RECITALS

- A. Company desires to employ Employee, and Employee desires to be employed by Company.
- B. It is anticipated that Employee will continue to make significant contributions to the success of Company as its President and Chief Executive Officer.
- C. Among other matters, the Company's board of directors (the "Board") has determined that it is in the best interests of Company and its stockholders to assure that Company will have the continued dedication of Employee, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined below) of Company. The Board believes it is imperative to diminish the inevitable distraction of Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control and to encourage Employee's full attention and dedication to Company currently and in the event of any threatened or pending Change in Control, and to provide Employee with compensation and benefits arrangements upon a Change in Control which ensure that the compensation and benefits expectations of Employee will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused Company to enter into the Change in Control provisions in this Agreement.
- D. The Board believes that it is in the best interests of Company and its stockholders to enter into this Agreement with Employee with the goal of ensuring high-quality management of Company.

The Parties therefore agree as follows:

1. Term. The term ("Term") of this Agreement shall extend from the Effective Date until July 1, 2023, unless terminated earlier in accordance with Section 3. Beginning on July 1, 2021, and on each July 1 thereafter (the "Extension Date"), the Term will be extended for one year, as long as neither Employee nor Company has given notice to the other in writing at least 90 days before the Extension Date that the Term will not be extended further. "Term" refers to both the initial Term and extended terms.
2. Terms of Employment.
 - (a) Position and Duties.

(i) Employee will serve as President and Chief Executive Officer of Company, with the duties and responsibilities provided in the Company's Bylaws, as amended (the "Bylaws"), and will have such other powers and duties as prescribed by the Board from time to time in accordance with the Bylaws. Employee will report to the Board and be subject to and must abide by each of the written personnel policies applicable to senior executives and employees of Company, including, without limitation, the Code of Ethics for Senior Financial Officers. In addition, Employee and Company will use commercially reasonable efforts to support Employee's nomination to serve as a member of the Board during the Term.

(ii) Employee will at all times, faithfully and to the best of his ability, perform all of the duties that may be legally required of him pursuant to this Agreement. Employee will devote his entire working time, attention and energies to the performance of his duties hereunder and will not, during the term of this Agreement, be engaged in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage; provided, however, that nothing in this Agreement will preclude Employee from devoting time during reasonable periods required for:

- (1) serving, in accordance with Company's policies and with the prior approval of the Board, as a director or member of a committee of any company or organization (including nonprofit organizations) involving no actual or potential conflict of interest with Company;
- (2) delivering lectures and fulfilling speaking engagements; and
- (3) investing his personal assets in businesses in which his participation is solely that of an investor; provided, however, that such activities do not materially affect or interfere with the performance of Employee's duties and obligations to Company; and
- (4) engaging in civic, charitable or religious activities.

It is expressly understood and agreed that, to the extent any such activities have been conducted by Employee prior to the date of this Agreement, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the date of this Agreement will not be deemed to interfere with the performance of Employee's responsibilities to Company.

(b) Compensation.

(i) Annual Base Salary. Beginning on the Effective Date, Employee will receive an annual base salary (the "Annual Base Salary") at a rate of not less than \$725,000, payable in accordance with Company's normal payroll policies. The Annual Base Salary will be reviewed and adjusted from time to time to reflect amounts approved by the Board or its Compensation Committee ("Committee"). Performance and salary reviews will occur at least annually in accordance with Company's normal performance-review policies and practices for executives. Any upward adjustment in Annual Base Salary shall constitute "Annual Base Salary" for the purposes of this Agreement.

(ii) Target Bonus. Employee will be entitled to annual cash incentive compensation with a total target value (the "Target Bonus") established by the Committee for executive officers under Company's Amended and Restated Annual Cash Incentive Award Plan (the "Annual Plan"). Actual amounts payable will be based on the achievement of corporate and individual performance goals, which may be objective or subjective, established by the Committee in its sole discretion under the Annual Plan. For fiscal year 2020, the Target Bonus for Employee is \$725,000, of which 75 percent will be tied to the achievement of corporate performance goals and 25 percent to the achievement of individual performance goals. The extent to which performance goals were achieved will be determined, and cash incentive awards will be paid, in accordance with the provisions of the Annual Plan. The Annual Plan may be amended by the Board from time to time in the future in its sole discretion. Any upward adjustment in Target Bonus shall constitute "Target Bonus" for the purposes of this Agreement.

(iii) Stock-Based Compensation. Subject to the approval of the 2020 Stock Incentive Plan by the stockholders of the Company at its annual meeting of stockholders to be held in 2020 (the "2020 Plan"), during fiscal 2020, Employee will be granted (a) restricted stock units ("RSUs") with a total value of \$580,000 and (b) performance shares with a total value of \$580,000, in each case based on the closing market price of Company's common stock on the date of grant. In future years, Employee will be entitled to awards under the 2020 Plan of such types and in such amounts as determined by the Committee in accordance with its long-term incentive program for executive officers.

(iv) Benefits. To the extent otherwise eligible, Employee will be entitled to receive or participate in any additional benefits, including, without limitation, the Company's 401(k) Retirement Savings Plan and its Nonqualified Deferred Compensation Plan, as well as group health insurance plans, retirement plans, and medical reimbursement plans which Employee may from time to time make available to its executive management employees, in accordance with the terms of the applicable plan or policy. Company will reimburse Employee for reasonable out-of-pocket expenses that Employee incurs in connection with the performance of his duties in accordance with the same reimbursement policies that generally apply to Company's executive management employees. Company may change or discontinue such additional benefits at any time in its sole discretion.

3. Termination of Employment.

(a) Voluntary Termination. Employee's employment may be voluntarily terminated by Employee at any time upon at least 90 days' written notice to Company or a shorter period as agreed on between Employee and the Board. Employee's employment may be terminated by the Employee with or without Good Reason.

(i) Voluntary Termination Without Good Reason. In the event of a voluntary termination without Good Reason (as defined below), Company is obligated to continue to pay to Employee the Annual Base Salary and provide benefits under this Agreement only through the Date of Termination (as defined below), at the time those payments are due, and will have no further obligation to Employee under this Agreement, except as may be provided under the terms of the plans and agreements referenced in Section 2(b)(iv) above and in Section 10(g) below.

(ii) Voluntary Termination With Good Reason. In the event of a voluntary termination with Good Reason, Employee may be eligible for benefits as described in this Section 3. For purposes of this Agreement, "Good Reason" means, in the absence of Employee's written consent, any of the following:

- (1) a material diminution of Employee's authority, duties, or responsibilities as President and Chief Executive Officer of Company;
- (2) a material diminution of the authority, duties, or responsibilities of the individual(s) to whom Employee is required to report, including, if Employee reports to the Board, a requirement that Employee report to a corporate officer or employee instead of reporting directly to the Board;
- (3) a material diminution in Employee's base compensation (Annual Base Salary or Target Bonus), unless the reduction is generally applicable to substantially all similarly situated Company employees or is otherwise offset economically by increases in other compensation or replacement plans or programs;
- (4) a relocation or transfer of Employee's principal place of employment by a distance of more than 50 miles; or
- (5) a material breach of this Agreement by Company.

Good Reason will be deemed to have occurred only if: (1) within 90 days after the initial existence of the circumstances constituting Good Reason, Employee provides Company with a written notice describing such circumstances, (2) Company fails to cure the circumstances within 30 days after Company receives Employee's notice, and (3) Employee separates from service with Company within 90 days of the date of Employee's written notice.

(b) Cause. Company may terminate Employee's employment either with or without Cause (as defined below). In the event of termination of employment for Cause, Company must pay to Employee the Annual Base Salary and provide benefits under this Agreement only through the Date of Termination, and will have no further obligation to Employee under this Agreement, except as may be provided under the terms of the plans and agreements referenced in Section 2(b)(iv) above and in Section 10(g) below. For purposes of this Agreement, "Cause" means:

- (i) embezzlement, willful misconduct, gross negligence, dishonesty, or other fraudulent acts involving Company or its business operations or in the performance of Employee's duties under this Agreement, including but not limited to Employee's refusal to comply with legal directives of the Board;
- (ii) a material breach of Employee's fiduciary duties to Company if the breach has not been remedied or is not being remedied to the Board's reasonable satisfaction within 30 days after written notice, including a detailed description of the breach, has been delivered to Employee;

(iii) willful material breach of Section 8 of this Agreement or a confidentiality policy of Company; or

(iv) an act or omission that materially injures Company's reputation, business affairs, or financial condition, if that injury reasonably could have been avoided by the Employee, including but not limited to conviction or a plea of nolo contendere of a felony or crime involving dishonesty or moral turpitude.

(c) Death. If Employee dies while employed under this Agreement and before any termination of employment, Company must pay to Employee's estate, or to the person who Employee may have previously designated in writing, the Annual Base Salary that was not previously paid to Employee that Employee earned under this Agreement through the day Employee died, together with the benefits in effect as of such date under the terms of the plans and agreements referenced in Section 2(b) (iv) above and in Section 10(g) below.

(d) Disability. If the Company determines in good faith that the Disability of Employee has occurred while Employee is employed by Company (pursuant to the definition of Disability set forth below), it may provide Employee with written notice in accordance with Section 10(a) of this Agreement of its intention to terminate Employee's employment. In such event, Employee's employment with the Company shall terminate effective on the 30th day after receipt of such notice by Employee (the "Disability Effective Date"); provided that, within the 30 days after such receipt, Employee shall not have returned to full-time performance of Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of Employee from Employee's duties with Company on a full-time basis for 90 consecutive days, or a total of 180 days in any 12-month period, as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by Company or its insurers and acceptable to Employee or Employee's legal representative.

(e) Notice of Termination. Any termination by Company for Cause, or as a result of Disability, or by Employee for Good Reason, must be communicated by notice of termination to the other party given in accordance with Section 10(a) of this Agreement.

(f) Date of Termination. "Date of Termination" means (i) if Employee's employment is terminated by Company for a reason other than Disability or death, the date that Company provides notice of the termination of Employee's employment with Company or any later date specified by the notice, as the case may be, (ii) if Employee's employment is terminated by Employee without Good Reason, 90 days after Employee provides written notice to the Company or the Board or a shorter period as agreed on between Employee and the Board, as the case may be, (iii) if the Employee's employment is terminated by Employee with Good Reason, the date that Employee provides notice of termination of Employee's employment with Company, or (iv) if Employee's employment is terminated by reason of death or Disability, the date of death of Employee or the Disability Effective Date, as the case may be.

(g) Change in Control.

(i) Definitions. For purposes of this Agreement, the following terms have the meanings set forth below.

(1) A "Qualifying Termination" occurs if (A) Company terminates Employee's employment for any reason other than for Cause, Disability, or death, or (B) Employee terminates employment for Good Reason.

(2) "Change in Control" means a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, as defined in Treasury Regulation Section 1.409A 3(i)(5) or in subsequent regulations or other guidance issued by the Internal Revenue Service. For purposes of illustration, a Change in Control generally occurs on the date that:

(A) Any one person, or more than one person acting as a group, acquires ownership of Company's stock that, together with stock already held by the person or group, constitutes more than 50 percent of the total fair market value or total voting power of Company's stock;

(B) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition), ownership of Company stock that constitutes 30 percent or more of the total voting power of the Company's stock;

(C) A majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the appointment or election; or

(D) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition), assets from Company that have a total gross fair market value equal to or more than 40 percent of the total gross fair market value of all of Company's assets immediately before the acquisition.

(3) "Total Payments" means all payments or benefits payable to Employee in connection with a Change in Control, including payments pursuant to this Agreement and any Other Payments pursuant to any other plan, agreement, or arrangement with Company, a person whose actions result in the Change in Control, or any person affiliated with Company or such person.

(4) "Other Payment" means any payment or benefit payable to Employee in connection with a Change in Control pursuant to any plan, arrangement, or agreement (other than this Agreement) with Company, a person whose actions result in such Change in Control, or any person affiliated with Company or such person.

(ii) If a Change in Control occurs during the Term, and a Qualifying Termination occurs during the period beginning 3 months before and ending 24 months after the Change in Control occurs, Company shall pay to Employee promptly within 30 days from the later to occur of the Date of Termination and the Change in Control (provided that if such 30-day period begins and ends in different calendar years, the payment will be made in the later calendar year), in a lump sum in cash, the amount equal to the product of (1) three and (2) the sum of (A) Employee's Annual Base Salary and (B) the Target Bonus, in each case as in effect on the date that the Change in Control occurred.

(h) Release of Claims. The termination benefits described in Sections 3(g) and 3(i) of this Agreement ("Change in Control" and "Termination Without Cause or With Good Reason," respectively) are conditioned on Employee's delivering to Company within 22 days following the Date of Termination, and not revoking, a signed release of claims in a form provided by Company.

(i) Termination Without Cause or With Good Reason. If a Qualifying Termination occurs, but is not eligible for payment under Section (g)(ii) ("Change in Control"), Company shall pay to Employee promptly within 30 days from the Date of Termination (provided that if such 30-day period begins and ends in different calendar years, the payment will be made in the later calendar year), in a lump sum in cash, an amount equal to the product of (i) 1.5 and (ii) the sum of (1) Employee's Annual Base Salary and (2) the Target Bonus, in each case as in effect on the date that the Date of Termination occurred. In addition, a number of restricted stock units ("RSUs") that equals the product of (A) the number of unvested RSUs held by Employee on the Date of Termination that were scheduled to vest on or before the one-year anniversary of the Date of Termination and (B) 1.5, will be accelerated and deemed fully vested as of the Date of Termination.

(j) In the event that Employee is serving as a member of the Board or as a director of any of the Company's subsidiaries on the Date of Termination for any reason, Employee will be deemed to have resigned as such Board member or director as of such Date of Termination.

4. Parachute Payments.

(a) In the event that any portion of the Total Payments payable to Employee under Section 3(h) ("Change in Control") would constitute an "excess parachute payment" within the meaning of Code Section 280G(b) that, but for this section, would be subject to the excise tax imposed on so-called excess parachute payments pursuant to Code Section 4999 (an "Excise Tax"), then the payments otherwise payable under this Agreement will be reduced to the largest amount payable to Employee which would result in no portion of the Total Payments being subject to the Excise Tax.

(b) For purposes of this section:

(i) No portion of the Total Payments, the receipt or enjoyment of which Employee has effectively waived in writing prior to the date of payment, will be taken into account;

(ii) No portion of the Total Payments will be taken into account which, in the opinion of tax counsel selected by Company and reasonably acceptable to Employee ("Tax Counsel"), does not constitute a "parachute payment" within the meaning of Code Section 280G;

(iii) If Employee and Company disagree whether any payment will result in an Excise Tax, the matter will be conclusively resolved by an opinion of Tax Counsel;

(iv) The value of any noncash benefit or any deferred payment or benefit included in the Total Payments, and whether or not all or a portion of any payment or benefit is a "parachute payment" for purposes of this Section, will be determined by Company's independent accountants in accordance with the principles of Sections 280G(d)(3) and (4) of the Internal Revenue Code.

(c) In the event that any other agreement, plan, or arrangement provides for Other Payments (an "Other Agreement"), Company and Employee agree that the Other Payment governed by such Other Agreement will be subject to the reduction in payments under Section 4(a). To the extent possible, Company and Employee agree that reductions in benefits under any plan, program, or arrangement of Company will be reduced (only to the extent described in Section 4(a)) in the following order of priority:

(i) Cash payments under this Agreement;

(ii) Any cash payments under any Other Agreement; and

(iii) The acceleration in the exercisability or vesting of any stock option or other stock related award granted by Company.

5. Successors.

(a) This Agreement is personal to Employee, who may not assign it without Company's written consent. This Agreement will inure to the benefit of and be enforceable by Employee's legal representatives, heirs, or legatees.

(b) This Agreement will inure to the benefit of and be binding on Company and its successors and assigns.

(c) Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

6. Governing Law; Arbitration.

(a) This Agreement is intended to be construed in accordance with the laws of the state of Washington, without reference to principles of conflicts of law. Any claim arising out of or related to this Agreement will be resolved exclusively by arbitration, which, unless the Parties agree otherwise in writing, will be administered by and in accordance with the rules of the Arbitration Service of Portland, Inc. The place of arbitration will be Multnomah County, Oregon, unless otherwise agreed by the parties. The award rendered by the arbitrator will be final and binding, and judgment may be entered on the award in any court having jurisdiction. The parties may endeavor to resolve disputes by mediation at any time as they may agree, *provided, however*, that resolution of disputes by mediation is not required prior to initiating resolution of disputes by arbitration. Notwithstanding anything to the contrary in this paragraph, Company may seek equitable relief in any court having jurisdiction with respect to a breach of Sections 7 and 8 ("Restrictive Covenants" and "Confidentiality"). Any demand for arbitration must be delivered in writing to the other party within a reasonable time after the claim or dispute has arisen; *provided, however*, that in no event may such demand be made after the date when institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute of limitations.

(b) Notwithstanding the foregoing, Company may resort to the state court in Clark County, Washington, for injunctive and other relief as available if the Employee engages in conduct after termination of this Agreement that amounts to a violation of Sections 7 and 8 hereof or violation of the Washington Trade Secrets Act or amounts to unlawful interference with the business expectancies of Company.

7. Restrictive Covenants.

(a) Noncompetition. Employee agrees that, during Employee's employment with Company, and for a period of eighteen months thereafter (collectively, the "Noncompetition Period"), irrespective of the reason for termination of employment with Company, Employee will not directly or indirectly become interested in, as a "founder," organizer, principal shareholder, partner, director, officer, employee or otherwise of or consultant in any business involved in the planning, development, offer or sale of any products or services similar to products or services offered, sold, planned or developed by the Company in any geographic area where Company has done business during the three months preceding termination of employment. Employee will not be deemed a "principal shareholder" unless (i) the Employee's investment in such an institution exceeds one (1) percent of the institution's outstanding voting securities or (ii) Employee is active in the organization, management, or affairs of the institution. The provisions restricting competition by Employee may be waived by action of the Board. If Company chooses not to waive those provisions, Company shall make any payments to Employee that are required by Washington House Bill 1450 (2019).

(b) Nonsolicitation. During the Noncompetition Period, Employee shall not directly or indirectly (i) solicit or attempt to solicit any other employee of the Company to leave the employ of the Company, or in any way interfere with the relationship between the Company and any other employee of the Company, (ii) solicit or attempt to solicit any customers or potential customers whom the Company actively solicited at any time during the 12-month period before the Employee's Date of Termination ("Customers"), including but not limited to all successors, owners, directors, partners, and management personnel of Customers, to cease doing business with the Company or to otherwise divert Customers' business from the Company, or (iii) solicit or attempt to solicit any supplier, licensee, or other business associates of Company to cease doing business with Company.

(c) Interpretation. The parties agree that the terms of paragraphs (a) and (b) of this Section 7 (collectively, the "Restrictive Covenants") are reasonable as to both time and scope. The parties additionally agree that (i) the Restrictive Covenants are necessary for the protection of Company's business and goodwill; (ii) the Restrictive Covenants are not any greater than are reasonably necessary to secure Company's business and goodwill; (iii) the injury to the public from the loss of the service and skill of Employee does not create an undue burden on the public; and (iv) the restrictions placed on Employee's opportunity to make a living are not an undue burden on Employee. If a court or any other administrative body with jurisdiction over a dispute related to this Agreement determines that the restrictive covenants set forth in this Section 7 are unreasonably broad, the Parties hereby authorize and direct the court or administrative body to narrow them so as to make them reasonable, given all relevant circumstances, and to enforce them. The covenants in this Section 7 will survive termination of this Agreement.

8. Confidentiality.

(a) Nondisclosure. Employee may not use or disclose any confidential information (as defined in paragraph (c) below) either during or following the term of this Agreement, except as required by Employee's duties under this Agreement or as otherwise allowed under subsection (b) below. Notwithstanding anything to the contrary in this Agreement or otherwise, nothing limits Employee's rights under applicable law to provide truthful information to any governmental entity or to file a charge with or participate in an investigation conducted by any governmental entity. Employee is hereby notified that the immunity provisions in 18 USC Section 1833 provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade-secret that is made (i) in confidence to federal, state, or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (ii) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (iii) to the individual's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for the lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except in response to court order.

(b) Exceptions. Employee's nondisclosure obligation under paragraph (a) above does not apply to any use or disclosure that is:

(i) Made with the prior written consent of the Board;

(ii) Required by a court order or a subpoena from a government agency (as long as Employee first provides Company with reasonable notice of the court order or subpoena in order to allow Company the opportunity to contest the requested disclosure); or

(iii) Of confidential information that has been previously disclosed to the public by Company or is in the public domain (other than because of Employee's breach of this Agreement).

(c) Confidential Information. "Confidential Information" includes any of Company's (or its subsidiaries' or affiliates') trade secrets, customer or prospect lists, information regarding product development, marketing plans, sales plans, strategic plans, projected acquisitions or dispositions, management agreements, management organization information (including data and other information relating to members of the Board and management), operating policies or manuals, business plans, purchasing agreements, financial records, or other similar financial, commercial, business, or technical information of any kind that Company or any of their subsidiaries or affiliates has received from service providers, other vendors, or customers that these third parties have designated as confidential or proprietary.

(d) Return of Property. If and when Employee ceases, for any reason, to be employed by Company, Employee must return to Company all keys, pass cards, identification cards, cell phones, other smart phones, tablets, electronic storage devices, Company credit cards, and any other property of Company or any of its subsidiaries. At the same time, Employee also must return to Company all originals and copies (whether in hard copy, electronic, or other form) of any documents, drawings, notes, memoranda, designs, devices, electronic storage devices, tapes, manuals, and specifications which constitute proprietary or confidential information or material of Company or any of its subsidiaries. The obligations in this Section 8(d) include, without limitation, the return of documents and other materials which may be in Employee's desk at work, his car, his place of residence, personal electronic or digital devices or cloud-type storage, or in any other location under Employee's control.

(e) Government Agencies. Employee understands that nothing contained in this Agreement limits Employee's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Employee further understands that this Agreement does not limit Employee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company.

(f) Survival. This Section 8 will survive the termination of the Employee's employment.

9. Sanctions: Remedial Actions. Employee recognizes and agrees that any breach of the covenants set forth in Section 7 or 8 by Employee will cause immediate and irreparable injury to Company, and Employee hereby authorizes recourse by Company to injunction or specific performance, as well as to other legal or equitable remedies to which Company may be entitled. Employee agrees that Company need not post any bond as a condition of seeking such relief and that the prevailing party in any litigation or arbitration to enforce Section 7 or 8 will be entitled to its reasonable attorney fees.

10. Miscellaneous.

(a) All notices and other communications under this Agreement must be in writing and given by hand-delivery to the other parties or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Employee: At the most recent address on file at Company;

If to Company: to Barrett Business Services, Inc., Attention: Chairman of the Board, at Company's headquarters address; or to another address that either party furnishes to the other in writing. Notice and communications are effective when actually received by the addressee.

(b) The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement.

(c) This Agreement may be executed by scan signatures or facsimile signatures and in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts are to be construed together and constitute one and the same instrument.

(d) Company may withhold from any amounts payable under this Agreement the federal, state, local, or foreign taxes as required to be withheld under any applicable law or regulation.

(e) This Agreement is intended to be exempt from the requirements of Code Section 409A by reason of all payments under this Agreement being "short-term deferrals" within the meaning of Treasury Regulation Section 1.409A-1(b)(4). All provisions of this Agreement shall be interpreted in a manner consistent with preserving this exemption. In no event may Employee, directly or indirectly, designate the calendar year of payment. Further, in no event will the Date of Termination be deemed to occur until the Employee experiences a "separation from service" within the meaning of Code Section 409A, and notwithstanding anything contained in this Agreement to the contrary, the date on which the separation from service takes place will be the Date of Termination. All reimbursements provided under this Agreement shall be provided in accordance with the requirements of Code Section 409A, including, when applicable, the requirement that (1) the amount of expenses eligible for reimbursement during one calendar year does not affect the amount of expenses eligible for reimbursement in any other calendar year; (2) the reimbursement of an eligible expense is made no later than the last day of the calendar year following the calendar year in which the expense is incurred; and (3) the right to any reimbursement is not subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, the Company makes no representation or covenant to ensure that the payments and benefits under this Agreement are exempt from, or compliant with, Code Section 409A.

(f) Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(g) Except as explicitly set forth in this Agreement, this Agreement constitutes the entire agreement between the parties with respect to its subject matter, and supersedes all prior agreements, oral or written, between the parties with respect to its subject matter, including, without limitation, the Change in Control Employment Agreement dated August 19, 2016, between Company and Employee; provided that this provision shall not apply to (i) the Death Benefit Agreement effective March 15, 2017, between Company and Employee, and (ii) each award agreement relating to stock-based awards granted under the 2020 Plan and any predecessor and successor plans of the Company, in each case as such agreements may be amended from time to time, including that each such agreement shall be subject to and governed by Section 3(i) above.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION THAT MAY BE ENFORCED BY THE PARTIES.

BARRETT BUSINESS SERVICES, INC.

/s/ Anthony Meeker

By: Anthony Meeker

Its: Chairman of the Board

EMPLOYEE

/s/ Gary Kramer

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is entered into this 22nd day of April, 2020, by and between Barrett Business Services, Inc. ("Company"), and Gerald Blotz ("Employee") (collectively, the "Parties"), and is effective as of March 5, 2020 (the "Effective Date").

RECITALS

A. Company desires to employ Employee, and Employee desires to be employed by Company.

B. It is anticipated that Employee will continue to make significant contributions to the success of Company as its Vice President and Chief Operating Officer—Field Operations.

C. Among other matters, the Company's board of directors (the "Board") has determined that it is in the best interests of Company and its stockholders to assure that Company will have the continued dedication of Employee, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined below) of Company. The Board believes it is imperative to diminish the inevitable distraction of Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control and to encourage Employee's full attention and dedication to Company currently and in the event of any threatened or pending Change in Control, and to provide Employee with compensation and benefits arrangements upon a Change in Control which ensure that the compensation and benefits expectations of Employee will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused Company to enter into the Change in Control provisions in this Agreement.

D. The Board believes that it is in the best interests of Company and its stockholders to enter into this Agreement with Employee with the goal of ensuring high-quality management of Company.

The Parties therefore agree as follows:

1. Term. The term ("Term") of this Agreement shall extend from the Effective Date until July 1, 2023, unless terminated earlier in accordance with Section 3. Beginning on July 1, 2021, and on each July 1 thereafter (the "Extension Date"), the Term will be extended for one year, as long as neither Employee nor Company has given notice to the other in writing at least 90 days before the Extension Date that the Term will not be extended further. "Term" refers to both the initial Term and extended terms.

2. Terms of Employment.

(a) Position and Duties.

(i) Employee will serve as Vice President and Chief Operating Officer—Field Operations, with duties and responsibilities assigned by the Company's Chief Executive Officer, and will have such other powers and duties as prescribed by the Board from time to time in accordance with the Company's Bylaws, as amended (the "Bylaws"). Employee will report to the Chief Executive Officer and be subject to and must abide by each of the written personnel policies applicable to senior executives and employees of Company.

(ii) Employee will at all times, faithfully and to the best of his ability, perform all of the duties that may be legally required of him pursuant to this Agreement. Employee will devote his entire working time, attention and energies to the performance of his duties hereunder and will not, during the term of this Agreement, be engaged in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage; provided, however, that nothing in this Agreement will preclude Employee from devoting time during reasonable periods required for:

- (1) serving, in accordance with Company's policies and with the prior approval of the Chief Executive Officer, as a director or member of a committee of any company or organization (including nonprofit organizations) involving no actual or potential conflict of interest with Company;
- (2) delivering lectures and fulfilling speaking engagements; and
- (3) investing his personal assets in businesses in which his participation is solely that of an investor; provided, however, that such activities do not materially affect or interfere with the performance of Employee's duties and obligations to Company; and
- (4) engaging in civic, charitable or religious activities.

It is expressly understood and agreed that, to the extent any such activities have been conducted by Employee prior to the date of this Agreement, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the date of this Agreement will not be deemed to interfere with the performance of Employee's responsibilities to Company.

(b) Compensation.

(i) Annual Base Salary. Beginning on the Effective Date, Employee will receive an annual base salary (the "Annual Base Salary") at a rate of not less than \$500,000, payable in accordance with Company's normal payroll policies. The Annual Base Salary will be reviewed and adjusted from time to time to reflect amounts approved by the Board or its Compensation Committee ("Committee"). Performance and salary reviews will occur at least annually in accordance with Company's normal performance-review policies and practices for executives. Any upward adjustment in Annual Base Salary shall constitute "Annual Base Salary" for the purposes of this Agreement.

(ii) Target Bonus. Employee will be entitled to annual cash incentive compensation with a total target value (the "Target Bonus") established by the Committee for executive officers under Company's Amended and Restated Annual Cash Incentive Award Plan (the "Annual Plan"). Actual amounts payable will be based on the achievement of corporate and individual performance goals, which may be objective or subjective, established by the Committee in its sole discretion under the Annual Plan. For fiscal year 2020, the Target Bonus for Employee is \$400,000, of which 75 percent will be tied to the achievement of corporate performance goals and 25 percent to the achievement of individual performance goals. The extent to which performance goals were achieved will be determined, and cash incentive awards will be paid, in accordance with the provisions of the Annual Plan. The Annual Plan may be amended by the Board from time to time in the future in its sole discretion. Any upward adjustment in Target Bonus shall constitute "Target Bonus" for the purposes of this Agreement.

(iii) Stock-Based Compensation. Subject to the approval of the 2020 Stock Incentive Plan by the stockholders of the Company at its annual meeting of stockholders to be held in 2020 (the "2020 Plan"), during fiscal 2020, Employee will be granted (a) restricted stock units ("RSUs") with a total value of \$487,500 and (b) performance shares with a total value of \$162,500, in each case based on the closing market price of Company's common stock on the date of grant. In future years, Employee will be entitled to awards under the 2020 Plan of such types and in such amounts as determined by the Committee in accordance with its long-term incentive program for executive officers.

(iv) Benefits. To the extent otherwise eligible, Employee will be entitled to receive or participate in any additional benefits, including, without limitation, the Company's 401(k) Retirement Savings Plan and its Nonqualified Deferred Compensation Plan, as well as group health insurance plans, retirement plans, and medical reimbursement plans which Employee may from time to time make available to its executive management employees, in accordance with the terms of the applicable plan or policy. Company will reimburse Employee for reasonable out-of-pocket expenses that Employee incurs in connection with the performance of his duties in accordance with the same reimbursement policies that generally apply to Company's executive management employees. Company may change or discontinue such additional benefits at any time in its sole discretion.

3. Termination of Employment.

(a) Voluntary Termination. Employee's employment may be voluntarily terminated by Employee at any time upon at least 90 days' written notice to Company or a shorter period as agreed on between Employee and the Board. Employee's employment may be terminated by the Employee with or without Good Reason.

(i) Voluntary Termination Without Good Reason. In the event of a voluntary termination without Good Reason (as defined below), Company is obligated to continue to pay to Employee the Annual Base Salary and provide benefits under this Agreement only through the Date of Termination (as defined below), at the time those payments are due, and will have no further obligation to Employee under this Agreement, except as may be provided under the terms of the plans and agreements referenced in Section 2(b)(iv) above and in Section 10(g) below.

(ii) Voluntary Termination With Good Reason. In the event of a voluntary termination with Good Reason, Employee may be eligible for benefits as described in this Section 3. For purposes of this Agreement, "Good Reason" means, in the absence of Employee's written consent, any of the following:

- Operations of Company;
- (1) a material diminution of Employee's authority, duties, or responsibilities as Vice President and Chief Operating Officer—Field
 - (2) a material diminution of the authority, duties, or responsibilities of the individual(s) to whom Employee is required to report, including, if Employee reports to the Board, a requirement that Employee report to a corporate officer or employee instead of reporting directly to the Board;
 - (3) a material diminution in Employee's base compensation (Annual Base Salary or Target Bonus), unless the reduction is generally applicable to substantially all similarly situated Company employees or is otherwise offset economically by increases in other compensation or replacement plans or programs;
 - (4) a relocation or transfer of Employee's principal place of employment by a distance of more than 50 miles; or
 - (5) a material breach of this Agreement by Company.

Good Reason will be deemed to have occurred only if: (1) within 90 days after the initial existence of the circumstances constituting Good Reason, Employee provides Company with a written notice describing such circumstances, (2) Company fails to cure the circumstances within 30 days after Company receives Employee's notice, and (3) Employee separates from service with Company within 90 days of the date of Employee's written notice.

(b) Cause. Company may terminate Employee's employment either with or without Cause (as defined below). In the event of termination of employment for Cause, Company must pay to Employee the Annual Base Salary and provide benefits under this Agreement only through the Date of Termination, and will have no further obligation to Employee under this Agreement, except as may be provided under the terms of the plans and agreements referenced in Section 2(b)(iv) above and in Section 10(g) below. For purposes of this Agreement, "Cause" means:

- (i) embezzlement, willful misconduct, gross negligence, dishonesty, or other fraudulent acts involving Company or its business operations or in the performance of Employee's duties under this Agreement, including but not limited to Employee's refusal to comply with legal directives of the Chief Executive Officer or the Board;
- (ii) a material breach of Employee's fiduciary duties to Company if the breach has not been remedied or is not being remedied to the Board's reasonable satisfaction within 30 days after written notice, including a detailed description of the breach, has been delivered to Employee;
- (iii) willful material breach of Section 8 of this Agreement or a confidentiality policy of Company; or

(iv) an act or omission that materially injures Company's reputation, business affairs, or financial condition, if that injury reasonably could have been avoided by the Employee, including but not limited to conviction or a plea of nolo contendere of a felony or crime involving dishonesty or moral turpitude.

(c) Death. If Employee dies while employed under this Agreement and before any termination of employment, Company must pay to Employee's estate, or to the person who Employee may have previously designated in writing, the Annual Base Salary that was not previously paid to Employee that Employee earned under this Agreement through the day Employee died, together with the benefits in effect as of such date under the terms of the plans and agreements referenced in Section 2(b) (iv) above and in Section 10(g) below.

(d) Disability. If the Company determines in good faith that the Disability of Employee has occurred while Employee is employed by Company (pursuant to the definition of Disability set forth below), it may provide Employee with written notice in accordance with Section 10(a) of this Agreement of its intention to terminate Employee's employment. In such event, Employee's employment with the Company shall terminate effective on the 30th day after receipt of such notice by Employee (the "Disability Effective Date"); provided that, within the 30 days after such receipt, Employee shall not have returned to full-time performance of Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of Employee from Employee's duties with Company on a full-time basis for 90 consecutive days, or a total of 180 days in any 12-month period, as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by Company or its insurers and acceptable to Employee or Employee's legal representative.

(e) Notice of Termination. Any termination by Company for Cause, or as a result of Disability, or by Employee for Good Reason, must be communicated by notice of termination to the other party given in accordance with Section 10(a) of this Agreement.

(f) Date of Termination. "Date of Termination" means (i) if Employee's employment is terminated by Company for a reason other than Disability or death, the date that Company provides notice of the termination of Employee's employment with Company or any later date specified by the notice, as the case may be, (ii) if Employee's employment is terminated by Employee without Good Reason, 90 days after Employee provides written notice to the Company or the Board or a shorter period as agreed on between Employee and the Board, as the case may be, (iii) if the Employee's employment is terminated by Employee with Good Reason, the date that Employee provides notice of termination of Employee's employment with Company, or (iv) if Employee's employment is terminated by reason of death or Disability, the date of death of Employee or the Disability Effective Date, as the case may be.

(g) Change in Control.

(i) Definitions. For purposes of this Agreement, the following terms have the meanings set forth below.

(1) A "Qualifying Termination" occurs if (A) Company terminates Employee's employment for any reason other than for Cause, Disability, or death, or (B) Employee terminates employment for Good Reason.

(2) "Change in Control" means a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, as defined in Treasury Regulation Section 1.409A 3(i)(5) or in subsequent regulations or other guidance issued by the Internal Revenue Service. For purposes of illustration, a Change in Control generally occurs on the date that:

(A) Any one person, or more than one person acting as a group, acquires ownership of Company's stock that, together with stock already held by the person or group, constitutes more than 50 percent of the total fair market value or total voting power of Company's stock;

(B) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition), ownership of Company stock that constitutes 30 percent or more of the total voting power of the Company's stock;

(C) A majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the appointment or election; or

(D) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition), assets from Company that have a total gross fair market value equal to or more than 40 percent of the total gross fair market value of all of Company's assets immediately before the acquisition.

(3) "Total Payments" means all payments or benefits payable to Employee in connection with a Change in Control, including payments pursuant to this Agreement and any Other Payments pursuant to any other plan, agreement, or arrangement with Company, a person whose actions result in the Change in Control, or any person affiliated with Company or such person.

(4) "Other Payment" means any payment or benefit payable to Employee in connection with a Change in Control pursuant to any plan, arrangement, or agreement (other than this Agreement) with Company, a person whose actions result in such Change in Control, or any person affiliated with Company or such person.

(ii) If a Change in Control occurs during the Term, and a Qualifying Termination occurs during the period beginning 3 months before and ending 24 months after the Change in Control occurs, Company shall pay to Employee promptly within 30 days from the later to occur of the Date of Termination and the Change in Control (provided that if such 30-day period begins and ends in different calendar years, the payment will be made in the later calendar year), in a lump sum in cash, the amount equal to the product of (1) three and (2) the sum of (A) Employee's Annual Base Salary and (B) the Target Bonus, in each case as in effect on the date that the Change in Control occurred.

(h) Release of Claims. The termination benefits described in Sections 3(g) and 3(i) of this Agreement ("Change in Control" and "Termination Without Cause or With Good Reason," respectively) are conditioned on Employee's delivering to Company within 22 days following the Date of Termination, and not revoking, a signed release of claims in a form provided by Company.

(i) Termination Without Cause or With Good Reason. If a Qualifying Termination occurs, but is not eligible for payment under Section 3(g)(ii) ("Change in Control"), Company shall pay to Employee promptly within 30 days from the Date of Termination (provided that if such 30-day period begins and ends in different calendar years, the payment will be made in the later calendar year), in a lump sum in cash, an amount equal to the sum of (1) Employee's Annual Base Salary and (2) the Target Bonus, in each case as in effect on the date that the Date of Termination occurred. In addition, a number of restricted stock units ("RSUs") that equals the number of unvested RSUs held by Employee on the Date of Termination that were scheduled to vest on or before the one-year anniversary of the Date of Termination will be accelerated and deemed fully vested as of the Date of Termination.

(j) In the event that Employee is serving as a member of the Board or as a director of any of the Company's subsidiaries on the Date of Termination for any reason, Employee will be deemed to have resigned as such Board member or director as of such Date of Termination.

4. Parachute Payments.

(a) In the event that any portion of the Total Payments payable to Employee under Section 3(g) ("Change in Control") would constitute an "excess parachute payment" within the meaning of Code Section 280G(b) that, but for this section, would be subject to the excise tax imposed on so-called excess parachute payments pursuant to Code Section 4999 (an "Excise Tax"), then the payments otherwise payable under this Agreement will be reduced to the largest amount payable to Employee which would result in no portion of the Total Payments being subject to the Excise Tax.

(b) For purposes of this section:

(i) No portion of the Total Payments, the receipt or enjoyment of which Employee has effectively waived in writing prior to the date of payment, will be taken into account;

(ii) No portion of the Total Payments will be taken into account which, in the opinion of tax counsel selected by Company and reasonably acceptable to Employee ("Tax Counsel"), does not constitute a "parachute payment" within the meaning of Code Section 280G;

(iii) If Employee and Company disagree whether any payment will result in an Excise Tax, the matter will be conclusively resolved by an opinion of Tax Counsel;

(iv) The value of any noncash benefit or any deferred payment or benefit included in the Total Payments, and whether or not all or a portion of any payment or benefit is a "parachute payment" for purposes of this Section, will be determined by Company's independent accountants in accordance with the principles of Sections 280G(d)(3) and (4) of the Internal Revenue Code.

(c) In the event that any other agreement, plan, or arrangement provides for Other Payments (an "Other Agreement"), Company and Employee agree that the Other Payment governed by such Other Agreement will be subject to the reduction in payments under Section 4(a). To the extent possible, Company and Employee agree that reductions in benefits under any plan, program, or arrangement of Company will be reduced (only to the extent described in Section 4(a)) in the following order of priority:

(i) Cash payments under this Agreement;

(ii) Any cash payments under any Other Agreement; and

(iii) The acceleration in the exercisability or vesting of any stock option or other stock related award granted by Company.

5. Successors.

(a) This Agreement is personal to Employee, who may not assign it without Company's written consent. This Agreement will inure to the benefit of and be enforceable by Employee's legal representatives, heirs, or legatees.

(b) This Agreement will inure to the benefit of and be binding on Company and its successors and assigns.

(c) Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

6. Governing Law; Arbitration.

(a) This Agreement is intended to be construed in accordance with the laws of the state of Washington, without reference to principles of conflicts of law. Any claim arising out of or related to this Agreement will be resolved exclusively by arbitration, which, unless the Parties agree otherwise in writing, will be administered by and in accordance with the rules of the Arbitration Service of Portland, Inc. The place of arbitration will be Multnomah County, Oregon, unless otherwise agreed by the parties. The award rendered by the arbitrator will be final and binding, and judgment may be entered on the award in any court having jurisdiction. The parties may endeavor to resolve disputes by mediation at any time as they may agree, *provided, however*, that resolution of disputes by mediation is not required prior to initiating resolution of disputes by arbitration. Notwithstanding anything to the contrary in this paragraph, Company may seek equitable relief in any court having jurisdiction with respect to a breach of Sections 7 and 8 ("Restrictive Covenants" and "Confidentiality"). Any demand for arbitration must be delivered in writing to the other party within a reasonable time after the claim or dispute has arisen; *provided, however*, that in no event may such demand be made after the date when institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute of limitations.

(b) Notwithstanding the foregoing, Company may resort to the state court in Clark County, Washington, for injunctive and other relief as available if the Employee engages in conduct after termination of this Agreement that amounts to a violation of Sections 7 and 8 hereof or violation of the Washington Trade Secrets Act or amounts to unlawful interference with the business expectancies of Company.

7. Restrictive Covenants.

(a) Noncompetition. Employee agrees that, during Employee's employment with Company, and for a period of twelve months thereafter (collectively, the "Noncompetition Period"), irrespective of the reason for termination of employment with Company, Employee will not directly or indirectly become interested in, as a "founder," organizer, principal shareholder, partner, director, officer, employee or otherwise of or consultant in any business involved in the planning, development, offer or sale of any products or services similar to products or services offered, sold, planned or developed by the Company in any geographic area where Company has done business during the three months preceding termination of employment. Employee will not be deemed a "principal shareholder" unless (i) the Employee's investment in such an institution exceeds one (1) percent of the institution's outstanding voting securities or (ii) Employee is active in the organization, management, or affairs of the institution. The provisions restricting competition by Employee may be waived by action of the Board. If Company chooses not to waive those provisions, Company shall make any payments to Employee that are required by Washington House Bill 1450 (2019).

(b) Nonsolicitation. During the Noncompetition Period, Employee shall not directly or indirectly (i) solicit or attempt to solicit any other employee of the Company to leave the employ of the Company, or in any way interfere with the relationship between the Company and any other employee of the Company, (ii) solicit or attempt to solicit any customers or potential customers whom the Company actively solicited at any time during the 12-month period before the Employee's Date of Termination ("Customers"), including but not limited to all successors, owners, directors, partners, and management personnel of Customers, to cease doing business with the Company or to otherwise divert Customers' business from the Company, or (iii) solicit or attempt to solicit any supplier, licensee, or other business associates of Company to cease doing business with Company.

(c) Interpretation. The parties agree that the terms of paragraphs (a) and (b) of this Section 7 (collectively, the "Restrictive Covenants") are reasonable as to both time and scope. The parties additionally agree that (i) the Restrictive Covenants are necessary for the protection of Company's business and goodwill; (ii) the Restrictive Covenants are not any greater than are reasonably necessary to secure Company's business and goodwill; (iii) the injury to the public from the loss of the service and skill of Employee does not create an undue burden on the public; and (iv) the restrictions placed on Employee's opportunity to make a living are not an undue burden on Employee. If a court or any other administrative body with jurisdiction over a dispute related to this Agreement determines that the restrictive covenants set forth in this Section 7 are unreasonably broad, the Parties hereby authorize and direct the court or administrative body to narrow them so as to make them reasonable, given all relevant circumstances, and to enforce them. The covenants in this Section 7 will survive termination of this Agreement.

8. Confidentiality.

(a) Nondisclosure. Employee may not use or disclose any confidential information (as defined in paragraph (c) below) either during or following the term of this Agreement, except as required by Employee's duties under this Agreement or as otherwise allowed under subsection (b) below. Notwithstanding anything to the contrary in this Agreement or otherwise, nothing limits Employee's rights under applicable law to provide truthful information to any governmental entity or to file a charge with or participate in an investigation conducted by any governmental entity. Employee is hereby notified that the immunity provisions in 18 USC Section 1833 provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade-secret that is made (i) in confidence to federal, state, or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (ii) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (iii) to the individual's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for the lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except in response to court order.

(b) Exceptions. Employee's nondisclosure obligation under paragraph (a) above does not apply to any use or disclosure that is:

(i) Made with the prior written consent of the Board;

(ii) Required by a court order or a subpoena from a government agency (as long as Employee first provides Company with reasonable notice of the court order or subpoena in order to allow Company the opportunity to contest the requested disclosure); or

(iii) Of confidential information that has been previously disclosed to the public by Company or is in the public domain (other than because of Employee's breach of this Agreement).

(c) Confidential Information. "Confidential Information" includes any of Company's (or its subsidiaries' or affiliates') trade secrets, customer or prospect lists, information regarding product development, marketing plans, sales plans, strategic plans, projected acquisitions or dispositions, management agreements, management organization information (including data and other information relating to members of the Board and management), operating policies or manuals, business plans, purchasing agreements, financial records, or other similar financial, commercial, business, or technical information of any kind that Company or any of their subsidiaries or affiliates has received from service providers, other vendors, or customers that these third parties have designated as confidential or proprietary.

(d) Return of Property. If and when Employee ceases, for any reason, to be employed by Company, Employee must return to Company all keys, pass cards, identification cards, cell phones, other smart phones, tablets, electronic storage devices, Company credit cards, and any other property of Company or any of its subsidiaries. At the same time, Employee also must return to Company all originals and copies (whether in hard copy, electronic, or other form) of any documents, drawings, notes, memoranda, designs, devices, electronic storage devices, tapes, manuals, and specifications which constitute proprietary or confidential information or material of Company or any of its subsidiaries. The obligations in this Section 8(d) include, without limitation, the return of documents and other materials which may be in Employee's desk at work, his car, his place of residence, personal electronic or digital devices or cloud-type storage, or in any other location under Employee's control.

(e) Government Agencies. Employee understands that nothing contained in this Agreement limits Employee's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Employee further understands that this Agreement does not limit Employee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company.

(f) Survival. This Section 8 will survive the termination of the Employee's employment.

9. Sanctions: Remedial Actions. Employee recognizes and agrees that any breach of the covenants set forth in Section 7 or 8 by Employee will cause immediate and irreparable injury to Company, and Employee hereby authorizes recourse by Company to injunction or specific performance, as well as to other legal or equitable remedies to which Company may be entitled. Employee agrees that Company need not post any bond as a condition of seeking such relief and that the prevailing party in any litigation or arbitration to enforce Section 7 or 8 will be entitled to its reasonable attorney fees.

10. Miscellaneous.

(a) All notices and other communications under this Agreement must be in writing and given by hand-delivery to the other parties or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Employee: At the most recent address on file at Company;

If to Company: to Barrett Business Services, Inc., Attention: Chairman of the Board, at Company's headquarters address; or to another address that either party furnishes to the other in writing. Notice and communications are effective when actually received by the addressee.

(b) The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement.

(c) This Agreement may be executed by scan signatures or facsimile signatures and in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts are to be construed together and constitute one and the same instrument.

(d) Company may withhold from any amounts payable under this Agreement the federal, state, local, or foreign taxes as required to be withheld under any applicable law or regulation.

(e) This Agreement is intended to be exempt from the requirements of Code Section 409A by reason of all payments under this Agreement being "short-term deferrals" within the meaning of Treasury Regulation Section 1.409A-1(b)(4). All provisions of this Agreement shall be interpreted in a manner consistent with preserving this exemption. In no event may Employee, directly or indirectly, designate the calendar year of payment. Further, in no event will the Date of Termination be deemed to occur until the Employee experiences a "separation from service" within the meaning of Code Section 409A, and notwithstanding anything contained in this Agreement to the contrary, the date on which the separation from service takes place will be the Date of Termination. All reimbursements provided under this Agreement shall be provided in accordance with the requirements of Code Section 409A, including, when applicable, the requirement that (1) the amount of expenses eligible for reimbursement during one calendar year does not affect the amount of expenses eligible for reimbursement in any other calendar year; (2) the reimbursement of an eligible expense is made no later than the last day of the calendar year following the calendar year in which the expense is incurred; and (3) the right to any reimbursement is not subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, the Company makes no representation or covenant to ensure that the payments and benefits under this Agreement are exempt from, or compliant with, Code Section 409A.

(f) Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(g) Except as explicitly set forth in this Agreement, this Agreement constitutes the entire agreement between the parties with respect to its subject matter, and supersedes all prior agreements, oral or written, between the parties with respect to its subject matter, including, without limitation, the Change in Control Employment Agreement dated June 16, 2015, between Company and Employee; provided that this provision shall not apply to (i) the Death Benefit Agreement effective July 17, 2015, between Company and Employee, or (ii) each award agreement relating to stock-based awards granted under the 2020 Plan and any predecessor and successor plans of the Company, in each case as such agreements may be amended from time to time, including that each such agreement shall be subject to and governed by Section 3(i) above.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION THAT MAY BE ENFORCED BY THE PARTIES.

BARRETT BUSINESS SERVICES, INC.

/s/ Gary Kramer

By: Gary E. Kramer

Its: President and Chief Executive Officer

EMPLOYEE

/s/ Gerald Blotz

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is entered into this 22nd day of April, 2020, by and between Barrett Business Services, Inc. ("Company"), and Anthony Harris ("Employee") (collectively, the "Parties"), and is effective as of March 5, 2020 (the "Effective Date").

RECITALS

- A. Company desires to employ Employee, and Employee desires to be employed by Company.
- B. It is anticipated that Employee will continue to make significant contributions to the success of Company as its Vice President-Finance, Secretary and Treasurer.
- C. Among other matters, the Company's board of directors (the "Board") has determined that it is in the best interests of Company and its stockholders to assure that Company will have the continued dedication of Employee, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined below) of Company. The Board believes it is imperative to diminish the inevitable distraction of Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control and to encourage Employee's full attention and dedication to Company currently and in the event of any threatened or pending Change in Control, and to provide Employee with compensation and benefits arrangements upon a Change in Control which ensure that the compensation and benefits expectations of Employee will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused Company to enter into the Change in Control provisions in this Agreement.
- D. The Board believes that it is in the best interests of Company and its stockholders to enter into this Agreement with Employee with the goal of ensuring high-quality management of Company.

The Parties therefore agree as follows:

1. Term. The term ("Term") of this Agreement shall extend from the Effective Date until July 1, 2023, unless terminated earlier in accordance with Section 3. Beginning on July 1, 2021, and on each July 1 thereafter (the "Extension Date"), the Term will be extended for one year, as long as neither Employee nor Company has given notice to the other in writing at least 90 days before the Extension Date that the Term will not be extended further. "Term" refers to both the initial Term and extended terms.
2. Terms of Employment.
 - (a) Position and Duties.

(i) Employee will serve as Vice President-Finance, Secretary and Treasurer, with duties and responsibilities assigned by the Company's Chief Executive Officer, and will have such other powers and duties as prescribed by the Board from time to time in accordance with the Company's Bylaws, as amended (the "Bylaws"). Employee will report to the Chief Executive Officer and be subject to and must abide by each of the written personnel policies applicable to senior executives and employees of Company, including without limitation, the Code of Ethics for Senior Financial Officers.

(ii) Employee will at all times, faithfully and to the best of his ability, perform all of the duties that may be legally required of him pursuant to this Agreement. Employee will devote his entire working time, attention and energies to the performance of his duties hereunder and will not, during the term of this Agreement, be engaged in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage; provided, however, that nothing in this Agreement will preclude Employee from devoting time during reasonable periods required for:

- (1) serving, in accordance with Company's policies and with the prior approval of the Chief Executive Officer, as a director or member of a committee of any company or organization (including nonprofit organizations) involving no actual or potential conflict of interest with Company;
- (2) delivering lectures and fulfilling speaking engagements; and
- (3) investing his personal assets in businesses in which his participation is solely that of an investor; provided, however, that such activities do not materially affect or interfere with the performance of Employee's duties and obligations to Company; and
- (4) engaging in civic, charitable or religious activities.

It is expressly understood and agreed that, to the extent any such activities have been conducted by Employee prior to the date of this Agreement, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the date of this Agreement will not be deemed to interfere with the performance of Employee's responsibilities to Company.

(b) Compensation.

(i) Annual Base Salary. Beginning on the Effective Date, Employee will receive an annual base salary (the "Annual Base Salary") at a rate of not less than \$350,000, payable in accordance with Company's normal payroll policies. The Annual Base Salary will be reviewed and adjusted from time to time to reflect amounts approved by the Board or its Compensation Committee ("Committee"). Performance and salary reviews will occur at least annually in accordance with Company's normal performance-review policies and practices for executives. Any upward adjustment in Annual Base Salary shall constitute "Annual Base Salary" for the purposes of this Agreement.

(ii) Target Bonus. Employee will be entitled to annual cash incentive compensation with a total target value (the "Target Bonus") established by the Committee for executive officers under Company's Amended and Restated Annual Cash Incentive Award Plan (the "Annual Plan"). Actual amounts payable will be based on the achievement of corporate and individual performance goals, which may be objective or subjective, established by the Committee in its sole discretion under the Annual Plan. For fiscal year 2020, the Target Bonus for Employee is \$280,000, of which 75 percent will be tied to the achievement of corporate performance goals and 25 percent to the achievement of individual performance goals. The extent to which performance goals were achieved will be determined, and cash incentive awards will be paid, in accordance with the provisions of the Annual Plan. The Annual Plan may be amended by the Board from time to time in the future in its sole discretion. Any upward adjustment in Target Bonus shall constitute "Target Bonus" for the purposes of this Agreement.

(iii) Stock-Based Compensation. Subject to the approval of the 2020 Stock Incentive Plan by the stockholders of the Company at its annual meeting of stockholders to be held in 2020 (the "2020 Plan"), during fiscal 2020, Employee will be granted (a) restricted stock units ("RSUs") with a total value of \$280,000 and (b) performance shares with a total value of \$140,000, in each case based on the closing market price of Company's common stock on the date of grant. In future years, Employee will be entitled to awards under the 2020 Plan of such types and in such amounts as determined by the Committee in accordance with its long-term incentive program for executive officers.

(iv) Benefits. To the extent otherwise eligible, Employee will be entitled to receive or participate in any additional benefits, including, without limitation, the Company's 401(k) Retirement Savings Plan and its Nonqualified Deferred Compensation Plan, as well as group health insurance plans, retirement plans, and medical reimbursement plans which Employee may from time to time make available to its executive management employees, in accordance with the terms of the applicable plan or policy. Company will reimburse Employee for reasonable out-of-pocket expenses that Employee incurs in connection with the performance of his duties in accordance with the same reimbursement policies that generally apply to Company's executive management employees. Company may change or discontinue such additional benefits at any time in its sole discretion.

3. Termination of Employment.

(a) Voluntary Termination. Employee's employment may be voluntarily terminated by Employee at any time upon at least 90 days' written notice to Company or a shorter period as agreed on between Employee and the Board. Employee's employment may be terminated by the Employee with or without Good Reason.

(i) Voluntary Termination Without Good Reason. In the event of a voluntary termination without Good Reason (as defined below), Company is obligated to continue to pay to Employee the Annual Base Salary and provide benefits under this Agreement only through the Date of Termination (as defined below), at the time those payments are due, and will have no further obligation to Employee under this Agreement, except as may be provided under the terms of the plans and agreements referenced in Section 2(b)(iv) above and in Section 10(g) below.

(ii) Voluntary Termination With Good Reason. In the event of a voluntary termination with Good Reason, Employee may be eligible for benefits as described in this Section 3. For purposes of this Agreement, "Good Reason" means, in the absence of Employee's written consent, any of the following:

- Company;
- (1) a material diminution of Employee's authority, duties, or responsibilities as Vice President-Finance, Secretary and Treasurer of Company;
 - (2) a material diminution of the authority, duties, or responsibilities of the individual(s) to whom Employee is required to report, including, if Employee reports to the Board, a requirement that Employee report to a corporate officer or employee instead of reporting directly to the Board;
 - (3) a material diminution in Employee's base compensation (Annual Base Salary or Target Bonus), unless the reduction is generally applicable to substantially all similarly situated Company employees or is otherwise offset economically by increases in other compensation or replacement plans or programs;
 - (4) a relocation or transfer of Employee's principal place of employment by a distance of more than 50 miles; or
 - (5) a material breach of this Agreement by Company.

Good Reason will be deemed to have occurred only if: (1) within 90 days after the initial existence of the circumstances constituting Good Reason, Employee provides Company with a written notice describing such circumstances, (2) Company fails to cure the circumstances within 30 days after Company receives Employee's notice, and (3) Employee separates from service with Company within 90 days of the date of Employee's written notice.

(b) Cause. Company may terminate Employee's employment either with or without Cause (as defined below). In the event of termination of employment for Cause, Company must pay to Employee the Annual Base Salary and provide benefits under this Agreement only through the Date of Termination, and will have no further obligation to Employee under this Agreement, except as may be provided under the terms of the plans and agreements referenced in Section 2(b)(iv) above and in Section 10(g) below. For purposes of this Agreement, "Cause" means:

(i) embezzlement, willful misconduct, gross negligence, dishonesty, or other fraudulent acts involving Company or its business operations or in the performance of Employee's duties under this Agreement, including but not limited to Employee's refusal to comply with legal directives of the Chief Executive Officer or the Board;

(ii) a material breach of Employee's fiduciary duties to Company if the breach has not been remedied or is not being remedied to the Board's reasonable satisfaction within 30 days after written notice, including a detailed description of the breach, has been delivered to Employee;

(iii) willful material breach of Section 8 of this Agreement or a confidentiality policy of Company; or

(iv) an act or omission that materially injures Company's reputation, business affairs, or financial condition, if that injury reasonably could have been avoided by the Employee, including but not limited to conviction or a plea of nolo contendere of a felony or crime involving dishonesty or moral turpitude.

(c) Death. If Employee dies while employed under this Agreement and before any termination of employment, Company must pay to Employee's estate, or to the person who Employee may have previously designated in writing, the Annual Base Salary that was not previously paid to Employee that Employee earned under this Agreement through the day Employee died, together with the benefits in effect as of such date under the terms of the plans and agreements referenced in Section 2(b) (iv) above and in Section 10(g) below.

(d) Disability. If the Company determines in good faith that the Disability of Employee has occurred while Employee is employed by Company (pursuant to the definition of Disability set forth below), it may provide Employee with written notice in accordance with Section 10(a) of this Agreement of its intention to terminate Employee's employment. In such event, Employee's employment with the Company shall terminate effective on the 30th day after receipt of such notice by Employee (the "Disability Effective Date"); provided that, within the 30 days after such receipt, Employee shall not have returned to full-time performance of Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of Employee from Employee's duties with Company on a full-time basis for 90 consecutive days, or a total of 180 days in any 12-month period, as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by Company or its insurers and acceptable to Employee or Employee's legal representative.

(e) Notice of Termination. Any termination by Company for Cause, or as a result of Disability, or by Employee for Good Reason, must be communicated by notice of termination to the other party given in accordance with Section 10(a) of this Agreement.

(f) Date of Termination. "Date of Termination" means (i) if Employee's employment is terminated by Company for a reason other than Disability or death, the date that Company provides notice of the termination of Employee's employment with Company or any later date specified by the notice, as the case may be, (ii) if Employee's employment is terminated by Employee without Good Reason, 90 days after Employee provides written notice to the Company or the Board or a shorter period as agreed on between Employee and the Board, as the case may be, (iii) if the Employee's employment is terminated by Employee with Good Reason, the date that Employee provides notice of termination of Employee's employment with Company, or (iv) if Employee's employment is terminated by reason of death or Disability, the date of death of Employee or the Disability Effective Date, as the case may be.

(g) Change in Control.

(i) Definitions. For purposes of this Agreement, the following terms have the meanings set forth below.

(1) A "Qualifying Termination" occurs if (A) Company terminates Employee's employment for any reason other than for Cause, Disability, or death, or (B) Employee terminates employment for Good Reason.

(2) "Change in Control" means a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, as defined in Treasury Regulation Section 1.409A 3(i)(5) or in subsequent regulations or other guidance issued by the Internal Revenue Service. For purposes of illustration, a Change in Control generally occurs on the date that:

(A) Any one person, or more than one person acting as a group, acquires ownership of Company's stock that, together with stock already held by the person or group, constitutes more than 50 percent of the total fair market value or total voting power of Company's stock;

(B) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition), ownership of Company stock that constitutes 30 percent or more of the total voting power of the Company's stock;

(C) A majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the appointment or election; or

(D) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition), assets from Company that have a total gross fair market value equal to or more than 40 percent of the total gross fair market value of all of Company's assets immediately before the acquisition.

(3) "Total Payments" means all payments or benefits payable to Employee in connection with a Change in Control, including payments pursuant to this Agreement and any Other Payments pursuant to any other plan, agreement, or arrangement with Company, a person whose actions result in the Change in Control, or any person affiliated with Company or such person.

(4) "Other Payment" means any payment or benefit payable to Employee in connection with a Change in Control pursuant to any plan, arrangement, or agreement (other than this Agreement) with Company, a person whose actions result in such Change in Control, or any person affiliated with Company or such person.

(ii) If a Change in Control occurs during the Term, and a Qualifying Termination occurs during the period beginning 3 months before and ending 24 months after the Change in Control occurs, Company shall pay to Employee promptly within 30 days from the later to occur of the Date of Termination and the Change in Control (provided that if such 30-day period begins and ends in different calendar years, the payment will be made in the later calendar year), in a lump sum in cash, the amount equal to the product of (1) three and (2) the sum of (A) Employee's Annual Base Salary and (B) the Target Bonus, in each case as in effect on the date that the Change in Control occurred.

(h) Release of Claims. The termination benefits described in Sections 3(g) and 3(i) of this Agreement ("Change in Control" and "Termination Without Cause or With Good Reason," respectively) are conditioned on Employee's delivering to Company within 22 days following the Date of Termination, and not revoking, a signed release of claims in a form provided by Company.

(i) Termination Without Cause or With Good Reason. If a Qualifying Termination occurs, but is not eligible for payment under Section 3(g)(ii) ("Change in Control"), Company shall pay to Employee promptly within 30 days from the Date of Termination (provided that if such 30-day period begins and ends in different calendar years, the payment will be made in the later calendar year), in a lump sum in cash, an amount equal to the sum of (1) Employee's Annual Base Salary and (2) the Target Bonus, in each case as in effect on the date that the Date of Termination occurred. In addition, a number of restricted stock units ("RSUs") that equals the number of unvested RSUs held by Employee on the Date of Termination that were scheduled to vest on or before the one-year anniversary of the Date of Termination will be accelerated and deemed fully vested as of the Date of Termination.

(j) In the event that Employee is serving as a member of the Board or as a director of any of the Company's subsidiaries on the Date of Termination for any reason, Employee will be deemed to have resigned as such Board member or director as of such Date of Termination.

4. Parachute Payments.

(a) In the event that any portion of the Total Payments payable to Employee under Section 3(g) ("Change in Control") would constitute an "excess parachute payment" within the meaning of Code Section 280G(b) that, but for this section, would be subject to the excise tax imposed on so-called excess parachute payments pursuant to Code Section 4999 (an "Excise Tax"), then the payments otherwise payable under this Agreement will be reduced to the largest amount payable to Employee which would result in no portion of the Total Payments being subject to the Excise Tax.

(b) For purposes of this section:

(i) No portion of the Total Payments, the receipt or enjoyment of which Employee has effectively waived in writing prior to the date of payment, will be taken into account;

(ii) No portion of the Total Payments will be taken into account which, in the opinion of tax counsel selected by Company and reasonably acceptable to Employee ("Tax Counsel"), does not constitute a "parachute payment" within the meaning of Code Section 280G;

(iii) If Employee and Company disagree whether any payment will result in an Excise Tax, the matter will be conclusively resolved by an opinion of Tax Counsel;

(iv) The value of any noncash benefit or any deferred payment or benefit included in the Total Payments, and whether or not all or a portion of any payment or benefit is a "parachute payment" for purposes of this Section, will be determined by Company's independent accountants in accordance with the principles of Sections 280G(d)(3) and (4) of the Internal Revenue Code.

(c) In the event that any other agreement, plan, or arrangement provides for Other Payments (an "Other Agreement"), Company and Employee agree that the Other Payment governed by such Other Agreement will be subject to the reduction in payments under Section 4(a). To the extent possible, Company and Employee agree that reductions in benefits under any plan, program, or arrangement of Company will be reduced (only to the extent described in Section 4(a)) in the following order of priority:

(i) Cash payments under this Agreement;

(ii) Any cash payments under any Other Agreement; and

(iii) The acceleration in the exercisability or vesting of any stock option or other stock related award granted by Company.

5. Successors.

(a) This Agreement is personal to Employee, who may not assign it without Company's written consent. This Agreement will inure to the benefit of and be enforceable by Employee's legal representatives, heirs, or legatees.

(b) This Agreement will inure to the benefit of and be binding on Company and its successors and assigns.

(c) Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

6. Governing Law; Arbitration.

(a) This Agreement is intended to be construed in accordance with the laws of the state of Washington, without reference to principles of conflicts of law. Any claim arising out of or related to this Agreement will be resolved exclusively by arbitration, which, unless the Parties agree otherwise in writing, will be administered by and in accordance with the rules of the Arbitration Service of Portland, Inc. The place of arbitration will be Multnomah County, Oregon, unless otherwise agreed by the parties. The award rendered by the arbitrator will be final and binding, and judgment may be entered on the award in any court having jurisdiction. The parties may endeavor to resolve disputes by mediation at any time as they may agree, *provided, however*, that resolution of disputes by mediation is not required prior to initiating resolution of disputes by arbitration. Notwithstanding anything to the contrary in this paragraph, Company may seek equitable relief in any court having jurisdiction with respect to a breach of Sections 7 and 8 ("Restrictive Covenants" and "Confidentiality"). Any demand for arbitration must be delivered in writing to the other party within a reasonable time after the claim or dispute has arisen; *provided, however*, that in no event may such demand be made after the date when institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute of limitations.

(b) Notwithstanding the foregoing, Company may resort to the state court in Clark County, Washington, for injunctive and other relief as available if the Employee engages in conduct after termination of this Agreement that amounts to a violation of Sections 7 and 8 hereof or violation of the Washington Trade Secrets Act or amounts to unlawful interference with the business expectancies of Company.

7. Restrictive Covenants.

(a) Noncompetition. Employee agrees that, during Employee's employment with Company, and for a period of twelve months thereafter (collectively, the "Noncompetition Period"), irrespective of the reason for termination of employment with Company, Employee will not directly or indirectly become interested in, as a "founder," organizer, principal shareholder, partner, director, officer, employee or otherwise of or consultant in any business involved in the planning, development, offer or sale of any products or services similar to products or services offered, sold, planned or developed by the Company in any geographic area where Company has done business during the three months preceding termination of employment. Employee will not be deemed a "principal shareholder" unless (i) the Employee's investment in such an institution exceeds one (1) percent of the institution's outstanding voting securities or (ii) Employee is active in the organization, management, or affairs of the institution. The provisions restricting competition by Employee may be waived by action of the Board. If Company chooses not to waive those provisions, Company shall make any payments to Employee that are required by Washington House Bill 1450 (2019).

(b) Nonsolicitation. During the Noncompetition Period, Employee shall not directly or indirectly (i) solicit or attempt to solicit any other employee of the Company to leave the employ of the Company, or in any way interfere with the relationship between the Company and any other employee of the Company, (ii) solicit or attempt to solicit any customers or potential customers whom the Company actively solicited at any time during the 12-month period before the Employee's Date of Termination ("Customers"), including but not limited to all successors, owners, directors, partners, and management personnel of Customers, to cease doing business with the Company or to otherwise divert Customers' business from the Company, or (iii) solicit or attempt to solicit any supplier, licensee, or other business associates of Company to cease doing business with Company.

(c) Interpretation. The parties agree that the terms of paragraphs (a) and (b) of this Section 7 (collectively, the "Restrictive Covenants") are reasonable as to both time and scope. The parties additionally agree that (i) the Restrictive Covenants are necessary for the protection of Company's business and goodwill; (ii) the Restrictive Covenants are not any greater than are reasonably necessary to secure Company's business and goodwill; (iii) the injury to the public from the loss of the service and skill of Employee does not create an undue burden on the public; and (iv) the restrictions placed on Employee's opportunity to make a living are not an undue burden on Employee. If a court or any other administrative body with jurisdiction over a dispute related to this Agreement determines that the restrictive covenants set forth in this Section 7 are unreasonably broad, the Parties hereby authorize and direct the court or administrative body to narrow them so as to make them reasonable, given all relevant circumstances, and to enforce them. The covenants in this Section 7 will survive termination of this Agreement.

8. Confidentiality.

(a) Nondisclosure. Employee may not use or disclose any confidential information (as defined in paragraph (c) below) either during or following the term of this Agreement, except as required by Employee's duties under this Agreement or as otherwise allowed under subsection (b) below. Notwithstanding anything to the contrary in this Agreement or otherwise, nothing limits Employee's rights under applicable law to provide truthful information to any governmental entity or to file a charge with or participate in an investigation conducted by any governmental entity. Employee is hereby notified that the immunity provisions in 18 USC Section 1833 provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade-secret that is made (i) in confidence to federal, state, or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (ii) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (iii) to the individual's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for the lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except in response to court order.

(b) Exceptions. Employee's nondisclosure obligation under paragraph (a) above does not apply to any use or disclosure that is:

(i) Made with the prior written consent of the Board;

(ii) Required by a court order or a subpoena from a government agency (as long as Employee first provides Company with reasonable notice of the court order or subpoena in order to allow Company the opportunity to contest the requested disclosure); or

(iii) Of confidential information that has been previously disclosed to the public by Company or is in the public domain (other than because of Employee's breach of this Agreement).

(c) Confidential Information. "Confidential Information" includes any of Company's (or its subsidiaries' or affiliates') trade secrets, customer or prospect lists, information regarding product development, marketing plans, sales plans, strategic plans, projected acquisitions or dispositions, management agreements, management organization information (including data and other information relating to members of the Board and management), operating policies or manuals, business plans, purchasing agreements, financial records, or other similar financial, commercial, business, or technical information of any kind that Company or any of their subsidiaries or affiliates has received from service providers, other vendors, or customers that these third parties have designated as confidential or proprietary.

(d) Return of Property. If and when Employee ceases, for any reason, to be employed by Company, Employee must return to Company all keys, pass cards, identification cards, cell phones, other smart phones, tablets, electronic storage devices, Company credit cards, and any other property of Company or any of its subsidiaries. At the same time, Employee also must return to Company all originals and copies (whether in hard copy, electronic, or other form) of any documents, drawings, notes, memoranda, designs, devices, electronic storage devices, tapes, manuals, and specifications which constitute proprietary or confidential information or material of Company or any of its subsidiaries. The obligations in this Section 8(d) include, without limitation, the return of documents and other materials which may be in Employee's desk at work, his car, his place of residence, personal electronic or digital devices or cloud-type storage, or in any other location under Employee's control.

(e) Government Agencies. Employee understands that nothing contained in this Agreement limits Employee's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Employee further understands that this Agreement does not limit Employee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company.

(f) Survival. This Section 8 will survive the termination of the Employee's employment.

9. Sanctions: Remedial Actions. Employee recognizes and agrees that any breach of the covenants set forth in Section 7 or 8 by Employee will cause immediate and irreparable injury to Company, and Employee hereby authorizes recourse by Company to injunction or specific performance, as well as to other legal or equitable remedies to which Company may be entitled. Employee agrees that Company need not post any bond as a condition of seeking such relief and that the prevailing party in any litigation or arbitration to enforce Section 7 or 8 will be entitled to its reasonable attorney fees.

10. Miscellaneous.

(a) All notices and other communications under this Agreement must be in writing and given by hand-delivery to the other parties or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Employee: At the most recent address on file at Company;

If to Company: to Barrett Business Services, Inc., Attention: Chairman of the Board, at Company's headquarters address; or to another address that either party furnishes to the other in writing. Notice and communications are effective when actually received by the addressee.

(b) The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement.

(c) This Agreement may be executed by scan signatures or facsimile signatures and in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts are to be construed together and constitute one and the same instrument.

(d) Company may withhold from any amounts payable under this Agreement the federal, state, local, or foreign taxes as required to be withheld under any applicable law or regulation.

(e) This Agreement is intended to be exempt from the requirements of Code Section 409A by reason of all payments under this Agreement being "short-term deferrals" within the meaning of Treasury Regulation Section 1.409A-1(b)(4). All provisions of this Agreement shall be interpreted in a manner consistent with preserving this exemption. In no event may Employee, directly or indirectly, designate the calendar year of payment. Further, in no event will the Date of Termination be deemed to occur until the Employee experiences a "separation from service" within the meaning of Code Section 409A, and notwithstanding anything contained in this Agreement to the contrary, the date on which the separation from service takes place will be the Date of Termination. All reimbursements provided under this Agreement shall be provided in accordance with the requirements of Code Section 409A, including, when applicable, the requirement that (1) the amount of expenses eligible for reimbursement during one calendar year does not affect the amount of expenses eligible for reimbursement in any other calendar year; (2) the reimbursement of an eligible expense is made no later than the last day of the calendar year following the calendar year in which the expense is incurred; and (3) the right to any reimbursement is not subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, the Company makes no representation or covenant to ensure that the payments and benefits under this Agreement are exempt from, or compliant with, Code Section 409A.

(f) Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(g) Except as explicitly set forth in this Agreement, this Agreement constitutes the entire agreement between the parties with respect to its subject matter, and supersedes all prior agreements, oral or written, between the parties with respect to its subject matter; provided that this provision shall not apply to award agreements relating to stock-based awards granted under the 2020 Plan and any predecessor and successor plans of the Company, in each case as such agreements may be amended from time to time, including that each such agreement shall be subject to and governed by Section 3(i) above.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION THAT MAY BE ENFORCED BY THE PARTIES.

BARRETT BUSINESS SERVICES, INC.

/s/ Gary Kramer

By: Gary E. Kramer

Its: President and Chief Executive Officer

EMPLOYEE

/s/ Anthony Harris