



Barrett Business Services, Inc.

Charter of the Audit and Compliance Committee of the Board of Directors

Purpose

The Audit and Compliance Committee (the "Committee") has been appointed by the Board of Directors (the "Board") of Barrett Business Services, Inc. to assist the Board in its oversight of (1) the Company's accounting and financial reporting processes, (2) the reliability, quality and integrity of the Company's financial statements, (3) the adequacy of the Company's internal control and disclosure systems and processes, (4) the Company's compliance with legal and regulatory requirements relating to its status as a public company, (5) the independence, qualifications, compensation, and performance of the Company's independent auditors, and (6) the Company's internal audit function. Consistent with these functions, the Committee will encourage continuous improvement of, and foster adherence to, the Company's policies, procedures, and practices relating to accounting and financial reporting processes and disclosures at all levels.

Although the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. The Board and the Committee recognize that the Company's Management is responsible for preparing the Company's financial statements and the independent auditors are responsible for auditing or reviewing those financial statements as required for a public company. Therefore, the Board and Committee's responsibility is one of oversight.

Membership

The Committee shall consist of at least three qualified directors. The members of the Committee shall be appointed by the Board at its first meeting held following each annual meeting of stockholders. Each member of the Committee shall meet the independence, expertise, and other requirements set forth in Rule 5605(c)(2) of the listing standards for companies listed on The Nasdaq Stock Market and otherwise be free from any relationship that, in the judgment of the Board, would interfere with his or her exercise of business judgment as a Committee member. All members of the Committee shall be financially literate and, on a combined basis, shall have expertise in performing audits and the application of generally accepted accounting principles in the United States, experience in governing public companies, significant knowledge and experience relevant to serving on an audit committee, and an independent oversight perspective at the Board level. To help maintain compliance with these requirements, the Committee will provide its members with annual continuing education opportunities in financial reporting and other areas relevant to the Committee. At least one member of the Committee shall meet the requirements to be an "audit committee financial expert" as defined in the Securities and Exchange Commission's ("SEC's") rules. The Chair of the Committee shall be appointed by the Board to serve a one-year term. The Chair and other members may serve unlimited successive one-year terms on the Committee. A Committee member may not serve simultaneously on the audit committees of more than two other public companies unless the Board determines that such service will not impair the member's ability to serve on the Committee. To the extent the Committee deems appropriate and permitted by applicable law, rule or regulation, the Committee may delegate its responsibilities under this Charter to one or more of its members.

Funding

The Committee shall have the authority to determine and receive from the Company the amount of funding required for (1) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company, (2) compensation to independent counsel and other advisers retained by the Committee, and (3) ordinary administrative expenses of the Committee in carrying out its duties and responsibilities.

Meetings

The Committee shall hold at least four regularly scheduled meetings each year. The Committee Chair will approve the agenda for the Committee meetings, and any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance as practicable. The Committee may require members of Management, the internal auditors, and the independent auditors to attend meetings and to provide pertinent information, and may invite others to attend meetings, as it deems appropriate. In order to foster open communications, the Committee shall meet at least annually in separate executive sessions with Management, the head of the Internal Audit Department, and the Company's independent auditors to discuss any matters the Committee (or any of these groups) believes should be discussed privately.

The Committee shall maintain written minutes or other records of its meetings and activities. Minutes of each meeting of the Committee shall be distributed to all members of the Board. The Secretary of the Company shall maintain copies of the signed minutes in the corporate records of the Company in accordance with applicable legal requirements.

The Chair of the Committee shall report to the Board following meetings of the Committee, including execution of the Committee's duties, responsibilities, and activities, any issues encountered, and as otherwise requested by the Chairman of the Board.

Duties and Responsibilities

The Committee shall be directly responsible for the appointment, compensation, retention, and oversight of the work of any accounting firm engaged for the purpose of preparing and issuing an audit report or performing other audit, review, or attest services for the Company (including resolution of any disagreements between Management and the independent auditors regarding financial reporting); such accounting firms shall report directly to the Committee. The Committee shall consult with Management but shall not delegate these responsibilities.

In fulfilling their duties and responsibilities hereunder, Committee members will be entitled to rely on any information, opinion, report, or statement, including any financial statement or financial data, prepared or presented by (1) an officer or employee of the Company whom the Committee member reasonably believes to be reliable and competent in the matters presented, or (2) the independent auditors, a lawyer, or other person as to a matter which the Committee member reasonably believes to be within the person's professional or expert competence; provided that the Committee member does not have any information concerning the matter in question which would cause such reliance to be unwarranted.

The Committee is responsible for the following matters:

Independent Auditor

1. The Committee shall be directly responsible for the appointment, compensation, retention (which may be submitted to a ratification vote by the Company's stockholders), termination, and oversight of the work of any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company. The independent auditors shall report directly to the Audit Committee.
2. The Committee shall review the experience and qualifications of the lead audit partner.
3. The Committee shall pre-approve all audit services and non-audit services (including the fees and terms thereof) to be performed by the Company's independent auditors pursuant to pre-approval policies and procedures established by the Committee, with consideration whether the independent auditor's provision of permissible non-audit services is compatible with the auditor's independence. All such services must be approved in advance of their performance. The Committee may delegate authority to grant pre-approvals to the Committee Chair, provided each such pre-approval is reported to the full Committee at its next scheduled meeting. The Committee shall receive the letter from the independent accountants required by the rules of the Public Company Accounting Oversight Board (the "PCAOB") regarding pre-approval of non-audit services.
4. The Committee shall receive the disclosures and letter from the independent auditors pursuant to the requirements of the PCAOB regarding communications with the independent auditors concerning independence, discuss with the auditors the contents of such disclosures, including any relationships or services that may impact the objectivity or independence of the auditors and, if determined necessary by the Committee, take or recommend that the full Board take appropriate action to oversee the independence of the auditors.
5. The Committee shall evaluate the performance of the independent auditors, assure the regular rotation of the lead audit partner as required by law and, as necessary or appropriate, take appropriate steps to replace the independent auditors. In evaluating the independent auditors, the Committee shall consider the opinions of the Chief Financial Officer and Controller.
6. The Committee shall meet with the independent auditors prior to each annual audit to review the planning and staffing of the audit.
7. The Committee shall obtain assurance from the independent auditors that no action or disclosure is required with respect to the Company's financial statements under Section 10A of the Securities Exchange Act of 1934.
8. The Committee shall discuss with the independent auditors the matters required to be discussed by AU-C Sec. 260 issued by the Auditing Standards Board relating to the conduct of the audit.
9. The Committee shall review with the independent auditors any problems or difficulties the auditors may have encountered, as well as any management letter provided by the independent auditors and management's response to that letter. Such review shall include:
 - a. Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.
 - b. Any changes required in the planned scope of the audit performed by the independent auditors.
 - c. Any disagreements with Management.

Internal Audit

10. The Committee shall review and approve the appointment and replacement of the Director of Internal Audit and annually review the Internal Audit Charter.
11. The Committee shall review and approve the annual internal audit plan, and shall review the organizational structure, staffing, responsibilities, resources, and performance of the internal audit department. The internal audit function is intended to provide Management and the Committee with ongoing assessments of the Company's systems of internal control over financial reporting and risk management.
12. The Committee shall review and discuss with the internal auditors significant reports and findings that the internal auditors prepare for Management, as well as Management's responses to those reports.

Internal Controls

13. The Committee shall review and discuss with executive management, financial management, the Internal Audit Director, and the independent auditors the adequacy of, and recent and planned changes to, the Company's internal controls on a quarterly basis.
14. The Committee shall oversee, with support from the internal audit and/or legal departments, the implementation of procedures for (1) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (2) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Financial Statements, Disclosures, and Compliance Matters

15. The Committee shall discuss with the independent auditor all matters required to be discussed by the applicable requirements of the PCAOB and the SEC, including the scope and results of its audit of the Company's consolidated financial statements and all critical audit matters (CAMs) proposed by the independent auditor to be included in its annual audit report.
16. The Committee shall review and discuss with management and the independent auditors the Company's quarterly and annual financial reports, including specifically the "MD&A" section, prior to the filing of the Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K. The Committee shall obtain confirmation from the Chief Executive Officer, Chief Financial Officer, and Controller that all material, or potentially material, matters have been disclosed or discussed with the Committee and the independent auditors prior to the certification of SEC filings as required by SEC Rule 13(a)-14(a).
17. The Committee shall review and discuss with Management, the internal auditors, and the independent auditor any analyses or other written communications prepared by Management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative Generally Accepted Accounting Principles ("GAAP") methods on the financial statements, significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
18. The Committee shall review and approve the audit committee report required by the SEC's rules to be included in the Company's annual proxy statement.

19. The Committee shall review and discuss with Management and the independent auditors, as appropriate, earnings press releases and other financial information that the Company proposes to disclose publicly.
20. The Committee shall review the Company's policies and practices with respect to financial risk assessment and financial risk management, including discussing with Management the Company's major financial risk exposures and the steps that have been taken to monitor and control such exposures.

Risk Management

21. The Committee may meet with the Risk Management Committee on topics of common interest or other matters as required by law, regulation, or agreement. The Committee is not the sole body responsible for risk assessment and management, but the Committee shall discuss the guidelines and policies that govern the process by which risk assessment and management is undertaken by the Company.
22. The Committee shall review any significant litigation or investigations involving the Company and other legal, regulatory, or governmental agency matters, inquiries, or initiatives that may have a material impact on the Company's financial statements. The Committee shall meet and discuss these matters with Management and others as it deems appropriate, including the Company's General Counsel and outside counsel.

Compliance

23. The Committee shall advise the Board with respect to the Company's disclosure policies and procedures intended to comply with applicable laws and regulations relating to its status as a public company.
24. The Committee shall oversee compliance with the Company's Code of Business Conduct and Code of Ethics for Senior Financial Officers, including any potential conflicts of interest, with support from the legal and internal audit departments, including reviewing the Code annually for any needed changes, assessing the implementation of the principles outlined in the Code, and determining whether to approve any waivers of the Code.
25. The Committee shall review for potential conflicts of interest and determine whether or not to approve any transaction by the Company with a director, officer or shareholder (including transactions with family members or associates of such persons) that would be required to be disclosed in the Company's annual proxy statement by the SEC's disclosure rules, including monitoring the outside activities of the Company's executive officers.
26. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
27. The Committee shall conduct an annual self-evaluation of how well the Committee performed its duties and fulfilled its purposes during the previous year and report its findings to the full Board.

Approved by the Board of Directors on May 1, 2023