

Barrett Business Services, Inc.

Executive Compensation Recovery Policy

This policy covers BBSI's chief executive officer, chief financial officer, principal accounting officer, and each other employee of BBSI who is an "officer" as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934 (collectively, "covered officers"). The policy explains when BBSI will be authorized to seek recovery of incentive compensation awarded or paid to covered officers.

1. Miscalculation of Performance Measure Results. BBSI will seek to recover, at the direction of the Compensation Committee, after the Committee has considered the costs and benefits of doing so, incentive compensation awarded or paid to a covered officer for a fiscal period if the result of a performance measure upon which the award was based or paid is subsequently restated or otherwise adjusted in a manner that would reduce the size of the award or payment.

A performance measure is a financial or operating metric that is used to determine a covered officer's incentive compensation. This may occur either by a formulaic calculation that uses the metric or through the Compensation Committee considering the metric as part of its assessment of a covered officer's performance.

Where the result of a performance measure is tied to compensation on a formulaic basis, BBSI will seek to recover, at the direction of the Compensation Committee, any amount awarded or paid in excess of the amount that would have been paid based on the correctly calculated performance measure result.

Where the result of the performance measure was considered in determining the compensation awarded or paid, but the compensation is not awarded or paid on a formulaic basis, BBSI will seek to recover, at the direction of the Compensation Committee, the amount, if any, by which the Compensation Committee determines in its discretion that the payment or award should be reduced.

Generally, the determination of financial or operating metric results occurs with the application of oversight and internal controls such that an error in determining a measure should occur rarely. Management is responsible for advising the Compensation Committee promptly if management learns that an erroneous result of a performance measure was provided in connection with establishing a covered officer's incentive compensation. Management will provide the corrected result and supporting details. If the metric was used in a formulaic calculation, the Committee will be provided with a revised calculation where the recalculation would result in a lower award amount.

In exercising its business judgment under this policy, the Compensation Committee may consider the relative significance of a metric to BBSI's business, the relative significance of the metric as compared to other metrics or factors considered or used in establishing an award or payment amount, the size of any resulting adjustment to an award or payment, whether asserting a claim against the covered officer may violate applicable law or prejudice BBSI's interests in any way, and any other factors it deems relevant to the determination.

Compensation awarded or paid based on miscalculation of a performance measure result will also be subject to the clawback requirements of §954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as any other law or regulation that the Compensation Committee determines, in its discretion, is applicable.

2. Legal and Compliance Violations. If BBSI concludes that a covered officer committed a significant legal or compliance violation in connection with the officer's employment, including a violation of BBSI's corporate policies or BBSI's Code of Business Conduct, BBSI may, within three years following payment or vesting of the incentive compensation, and at the direction of the Compensation Committee, seek recovery of all or a portion of the incentive compensation awarded to the covered officer for the performance period in which the violation occurred. In addition, BBSI may, at the direction of the Compensation Committee, conclude that any unpaid or unvested incentive compensation has not been earned and must be forfeited. BBSI may also take other action, as determined by the Compensation Committee, including directing any disciplinary action permitted for a violation of BBSI's policies applicable to the conduct of covered officers.

BBSI may seek recovery of incentive compensation even if the misconduct did not result in an award or payment greater than would have been awarded absent the misconduct.

In determining whether to seek recovery and the amount, if any, by which the payment or award should be reduced, the Compensation Committee may consider the seriousness of the compliance violation, whether the covered officer was unjustly enriched, whether seeking the recovery would prejudice BBSI's interests in any way, including in a proceeding or investigation, and any other factors it deems relevant to the determination.

The Compensation Committee may seek recovery of funds in the manner it chooses, including by seeking reimbursement from the covered officer of all or part of the compensation awarded or paid, by electing to withhold unpaid compensation, by set-off, or by rescinding or canceling unvested awards under BBSI's stock incentive plans or similar plans.