

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

HireQuest, Inc.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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): September 23, 2019

HIREQUEST, INC.

(Exact name of registrant as specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

000-53088
(Commission
File Number)

91-2079472
(I.R.S. Employer
Identification No.)

111 Springhall Drive, Goose Creek, SC
(Address of Principal Executive Offices)

29445
(Zip Code)

(843) 723-7400

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation 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 Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$0.001 par value	HQI	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.

2019 Director Compensation Plan

On September 23, 2019, the Board of Directors of HireQuest, Inc. (the "Board") adopted and approved the 2019 HireQuest, Inc. Non-Employee Director Compensation Plan (the "Director Compensation Plan"). On September 25, 2019, the Board adopted and approved certain revisions to such plan. All subsequent references in this Form 8-K to "Director Compensation Plan" include such revisions.

Pursuant to the Director Compensation Plan, each non-employee director of the Company who is elected or appointed at an annual meeting of shareholders is entitled to receive an annual Board retainer of \$36,000 ("Board Annual Retainer"). In addition, each non-employee director who is appointed to serve on a committee of the Board (but not the Chair of such committee) is entitled to receive an annual committee retainer ("Committee Annual Retainer") as follows: Audit Committee - \$5,500; Compensation Committee - \$3,500; Nominating and Governance Committee - \$3,500. Members of any other special committee established by the Board are entitled to be paid a Committee Annual Retainer, if any, as determined by the Board. The Chair of each committee of the Board is entitled to receive an additional annual retainer ("Committee Chair Annual Retainer") as follows: Audit Committee Chair - \$8,500; Compensation Committee Chair - \$5,500; Nominating and Governance Committee - \$5,500. The Chair of any other special committee established by the Board is entitled to a Committee Chair Annual Retainer, if any, as determined by the Board. The Vice-Chairman of the Board is entitled to receive an additional annual retainer ("Vice-Chairman Annual Retainer") of \$12,500. The Board Annual Retainer, Committee Annual Retainer, Committee Chair Annual Retainer and Vice-Chairman Annual Retainer are payable in cash, in arrears, in equal quarterly installments due within 15 days after the end of a fiscal quarter. Any non-employee director who experiences a separation from service during his or her board term shall receive pro-rated annual retainers.

Pursuant to the Director Compensation Plan, each non-employee director serving on the Board as of September 23, 2019 received an equity award on such date consisting of 15,000 restricted shares of Company common stock granted pursuant to and in accordance with the terms of the Company's 2016 Stock Incentive Plan (the "Initial Restricted Shares"). The Initial Restricted Shares vest in three equal annual installments beginning on the date that immediately precedes the 2020 annual meeting of shareholders of the Company, with the remainder vesting in equal installments on the first two anniversaries of that date, provided, however that if the vesting date would otherwise occur during a Company blackout period, the shares will vest on the first day immediately following the end of the blackout period. If a non-employee director experiences a separation from service before the Initial Restricted Shares fully vest, then the unvested portion is automatically forfeited. Non-employee directors have the right to vote any Initial Restricted Shares during the vesting period. In addition, their restricted share accounts are credited with stock equivalent to all dividends paid during the vesting period (subject to vesting of the Initial Restricted Shares).

Pursuant to the Director Compensation Plan, all non-employee directors elected at subsequent annual meetings of shareholders are entitled to receive on the date of each such meeting an equity award of 5,000 restricted shares of Company common stock granted pursuant to and in accordance with the terms of the Company's 2016 Stock Incentive Plan (the "Annual Restricted Shares"). These Annual Restricted Shares vest in full on the three-month anniversary of their grant date, provided, however that if the vesting date would otherwise occur during a Company blackout period, the shares will vest on the first day immediately following the end of the blackout period. The other vesting terms match the vesting terms of the Initial Restricted Shares described above.

Non-employee directors are also entitled to reimbursement of reasonable business expenses incurred in connection with the performance of his or her duties.

Under the Director Compensation Plan, non-employee directors must own by the later of July 15, 2021 or the second anniversary of their initial election or appointment to the Board, shares (but not counting Initial Restricted Shares or Annual Restricted Shares) having a value equal to the amount of the Board Annual Retainer in place at the time of the initial election or appointment to the Board. In addition, the Director Compensation Plan contains a stock purchase matching program under which the Company will match 20% of the purchases of common stock of the Company that a non-employee director makes during the period ending on the date on which the stock ownership requirements described above no longer apply to him or her, subject to certain terms and conditions including: the shares issued pursuant to the match will be restricted shares issued pursuant to the Company's 2016 Stock Incentive Plan which will not vest until the second anniversary of the date on which the triggering purchase was made; the number of shares of matching restricted stock that the Company can issue to any one non-employee director pursuant to the match may not exceed a value of \$25,000 in the aggregate in any one-year period; and the shares of matching restricted stock will only vest if the non-employee director serves on the Board on the vesting date and owns at least the same number of shares of Company common stock that were matched at the time of the triggering purchase.

The foregoing description of the Director Compensation Plan does not purport to be complete and is qualified in its entirety by reference to the Director Compensation Plan, which is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Rick Hermanns Employment Agreement

On September 23, 2019, HireQuest, Inc. (the "Company") entered into an Executive Employment Agreement by and among the Company, HQ LTS Corporation, a wholly-owned subsidiary of the Company (the "Subsidiary"), and Richard Hermanns, the Company's President and Chief Executive Officer, with an effective date of September 1, 2019 (the "Hermanns Agreement").

The Hermanns Agreement provides for Mr. Hermanns to continue serving as the Company's President and Chief Executive Officer during an initial term through August 31, 2022 (the "Term") and to receive an annual base salary of \$375,000, payable at periodic intervals in accordance with the Subsidiary's normal payroll practices. Mr. Hermanns will receive a one-time bonus in the amount of \$250,000 for the fiscal year ending December 31, 2019 (the "2019 Bonus"). Mr. Hermanns will also be eligible for (i) a discretionary bonus with respect to each fiscal year beginning with the fiscal year ending December 31, 2019 in the Compensation Committee's sole discretion; (ii) a pre-tax income bonus beginning with the fiscal year ending December 31, 2020 and for each fiscal year thereafter during the Term equal to annual pre-tax income of the Company and all of its subsidiaries on a combined system-wide basis during the fiscal year multiplied by one-half of one percent and adjusted by the Compensation Committee in good faith to account for extraordinary items; and (iii) a sales increase bonus beginning with the fiscal year ending December 31, 2020 and for each fiscal year thereafter during the Term equal to eight times the percentage year-over-year increase in System-Wide Sales multiplied by Mr. Hermanns' then-existing annualized base salary. "System-Wide Sales" is defined as the sum of all sales generated by franchisees of any subsidiary of the Company on a combined basis.

Upon execution of the Hermanns Agreement, Mr. Hermanns was granted and issued 50,000 restricted shares of Company common stock pursuant to the Company's 2016 Stock Incentive Plan, subject to the terms and conditions of the plan (the "Hermanns Restricted Shares"). The Hermanns Restricted Shares vest according to the following schedule: 50% on the second anniversary of the effective date of the Agreement, and 6.25% per fiscal quarter for each of the first eight fiscal quarters occurring thereafter subject to accelerated vesting upon termination of Mr. Hermanns' employment under certain conditions. Mr. Hermanns is also entitled to vacation and other employee benefits in accordance with the Subsidiary's policies.

Mr. Hermanns' employment can be terminated at any time for cause or without cause subject to 60 days' notice. If the employment is terminated for cause or due to death or disability, Mr. Hermanns or his estate will receive any unpaid base salary plus accrued paid time off or vacation, accrued and unpaid bonuses, reimbursable expenses, and continued health care benefits at Mr. Hermanns' expense. If Mr. Hermanns' employment is terminated due to death or disability, Mr. Hermanns or his estate is also entitled to an amount equal to the base salary Mr. Hermanns would have earned in the sixty day period following his death or permanent disability, the limited death, disability, and income continuation benefits provided under any applicable plan, and pro-rata vesting of the Hermanns Restricted Shares calculated as if his restricted stock had vested monthly.

If the employment is terminated by the Company without "cause" or Mr. Hermanns resigns for "good reason" (as each of those terms is defined in the agreement), Mr. Hermanns is entitled to receive any unpaid base salary plus accrued paid time off or vacation, full payment of the 2019 Bonus, pro-rated payment of the pre-tax income bonus and sales increase bonus, an amount equal to Mr. Hermanns base salary for an eighteen month period, reimbursable expenses, and continued health care benefits at Mr. Hermanns' expense. In addition, all restrictions on outstanding equity awards, including the Hermanns Restricted Shares, will lapse such that Mr. Hermanns will be fully vested in such awards. If the employment terminates due to non-renewal of the agreement, Mr. Hermanns is entitled to receive any unpaid base salary plus accrued paid time off or vacation, full payment of the 2019 Bonus, pro-rated payment of the Pre-Tax Income and Sales Increase bonuses, and all restrictions on outstanding equity awards, including the Hermanns Restricted Shares, will lapse such that Mr. Hermanns will be fully vested in such awards.

If a "change of control" (generally defined in the agreement at the 50% level) occurs prior to the end of the Term, the agreement is extended automatically for a one-year renewal period beginning on the date of the change of control (a "Post-Change of Control Renewal Period"). If Mr. Hermanns' employment is terminated during the Post-Change of Control Renewal Period, he is entitled to a one time, lump-sum severance payment equal to 150% of his base salary then in effect, and all restrictions on outstanding equity awards, including the Hermanns Restricted Shares, will lapse such that Mr. Hermanns will be fully vested in such awards. The foregoing description of the Hermanns Agreement does not purport to be complete and is qualified in its entirety by reference to the Hermanns Agreement, which is attached as Exhibit 10.2 to this Current Report on Form 8-K and incorporated herein by reference.

John McAnnar Employment Agreement

On September 23, 2019, the Company entered into an Executive Employment Agreement by and among the Company, the Subsidiary and John D. McAnnar, the Company's Vice President, General Counsel, and Secretary, with an effective date of September 1, 2019 (the "McAnnar Agreement").

The McAnnar Agreement provides for Mr. McAnnar to continue serving as the Company's Vice President, General Counsel, and Secretary during an initial term through August 31, 2021 (the "Term") and to receive an annual base salary of \$190,000, payable at periodic intervals in accordance with the Subsidiary's normal payroll practices. Mr. McAnnar will receive a one-time bonus in the amount of \$25,000 for the fiscal year ending December 31, 2019 (the "2019 Bonus"). Mr. McAnnar will also be eligible for (i) a discretionary bonus with respect to each fiscal year beginning with the fiscal year ending December 31, 2019 in the Compensation Committee's sole discretion; and (ii) a performance bonus beginning with the fiscal year ending December 31, 2020 of up to 50% of his base salary upon achieving the various tiered goals to be specified in the Company's senior executive bonus plan.

Upon execution of the McAnnar Agreement, Mr. McAnnar was granted and issued 25,000 restricted shares of Company common stock pursuant to the Company's 2016 Stock Incentive Plan, subject to the terms and conditions of the plan (the "McAnnar Restricted Shares"). The McAnnar Restricted Shares vest according to the following schedule: 50% on the second anniversary of the effective date of the agreement, and 6.25% per fiscal quarter for each of the first eight fiscal quarters occurring thereafter subject to accelerated vesting upon termination of Mr. McAnnar's employment under certain conditions. Mr. McAnnar is also entitled to vacation and other employee benefits in accordance with the Subsidiary's policies.

Mr. McAnnar's employment can be terminated at any time for cause or without cause subject to 60 days' notice. If the employment is terminated for cause or due to death or disability, Mr. McAnnar or his estate will receive any unpaid base salary plus accrued paid time off or vacation, accrued and unpaid bonuses, reimbursable expenses, and continued health care benefits at Mr. McAnnar's expense. If Mr. McAnnar's employment is terminated due to death or disability, Mr. McAnnar or his estate is also entitled to an amount equal to the base salary Mr. McAnnar would have earned in the sixty day period following his death or permanent disability, the limited death, disability, and income continuation benefits provided under any applicable plan, and pro-rata vesting of the McAnnar Restricted Shares calculated as if his restricted stock had vested monthly.

If the employment is terminated by the Company without "cause" or Mr. McAnnar resigns for "good reason" (as each of those terms is defined in the agreement), Mr. McAnnar is entitled to receive any unpaid base salary plus accrued paid time off or vacation, full payment of the 2019 Bonus, pro-rated payment of the performance bonus, an amount equal to Mr. McAnnar's base salary for a period equal to one month for every year of total employment by the Company and its affiliates up to a maximum of six months, reimbursable expenses, continued health care benefits at Mr. McAnnar's expense, and pro-rata vesting of the McAnnar Restricted Shares calculated as if his restricted stock had vested monthly. If the employment terminates due to non-renewal of the agreement, Mr. McAnnar is entitled to receive any unpaid base salary plus accrued paid time off or vacation, full payment of the 2019 Bonus, pro-rated payment of the Performance Bonus, and 50% of the McAnnar Restricted Shares shall immediately vest.

If a "change of control" (generally defined in the agreement at the 50% level) occurs prior to the end of the Term, the agreement is extended automatically for a one-year renewal period beginning on the date of the change of control (a "Post-Change of Control Renewal Period"). If Mr. McAnnar's employment is terminated during the Post-Change of Control Renewal Period, he is entitled to a one time, lump-sum severance payment equal to 150% of his base salary then in effect, and all restrictions on outstanding equity awards, including the McAnnar Restricted Shares, will lapse such that Mr. McAnnar will be fully vested in such awards.

The foregoing description of the McAnnar Agreement does not purport to be complete and is qualified in its entirety by reference to the McAnnar Agreement, which is attached as Exhibit 10.3 to this Current Report on Form 8-K and incorporated herein by reference.

Smith Restricted Share Grant

On September 23, 2019, the Board of Directors adopted a resolution granting and issuing 25,000 restricted shares of Company common stock to Cory Smith pursuant to the Company's 2016 Stock Incentive Plan, subject to the terms and conditions of the plan (the "Smith Restricted Shares"). The Smith Restricted Shares were granted in connection with Mr. Smith's continued service as the Company's Chief Financial Officer and Treasurer. The Smith Restricted Shares vest and become unrestricted according to the following schedule: 50% on September 1, 2021, and 6.25% per fiscal quarter for each of the first eight fiscal quarters occurring thereafter; provided, however, that if Mr. Smith's employment is terminated by the Company "without cause" or Mr. Smith resigns for "good reason", as provided in his employment agreement dated as of June 5, 2019, which automatically renewed for a two-year term on July 15, 2019 (the "Smith Agreement"), all non-vested shares will immediately cease vesting and be forfeited, provided, further, that should Mr. Smith's employment end for any other reason, his shares will vest pro-rata based on the months of employment after September 23, 2019 measured in respect to the four-year vesting schedule, and all non-vested shares thereafter will immediately cease vesting and be forfeited.

Executive Stock Purchase Matching Program

On September 25, 2019, the Board approved an executive stock purchase matching program applicable to Messrs. Hermanns, Cory and McAnnar, under which the Company will match 20% of the purchases of common stock of the Company that an executive makes during the period ending upon the executive's termination from employment with the Company (which purchases do not include stock received by the executive as compensation), subject to certain terms and conditions including: the shares issued pursuant to the match will be restricted shares issued under the Company's 2016 Stock Incentive Plan which will not vest until the second anniversary of the date on which the triggering purchase was made; the number of shares of matching restricted stock that the Company can issue to any one executive pursuant to the match may not exceed a value of \$25,000 in the aggregate in any one-year period; and the shares of matching restricted stock will only vest if the executive is employed by the Company and/or a subsidiary on the vesting date and owns at least the same number of shares of Company common stock that were matched at the time of the triggering purchase.

The executive stock purchase matching program was memorialized in addenda to the Hermanns Agreement, McAnnar Agreement and Smith Agreement. The foregoing description of the executive stock purchase matching program does not purport to be complete and is qualified in its entirety by reference to such addenda. The addenda to the Hermanns Agreement and McAnnar Agreement are included in Exhibits 10.2 and 10.3, respectively, and are incorporated herein by reference. The addendum to the Smith Agreement is attached as Exhibit 10.4 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On October 26, 2019, the Company posted an investor presentation to its website (www.hirequestllc.com) under "Invest in HireQuest – Command Center Investor Relations – Investor Presentation." The information on the Company's website is not incorporated by reference into this Current Report on Form 8-K and should not be considered part of this document. The website address is included in this Current Report on Form 8-K as an inactive textual reference only.

A copy of the investor presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K. The Company expects to use the investor presentation, in whole or in part, and possibly with modifications, in connection with presentations to investors, brokers, analysts and others.

The Investor Presentation includes financial information not prepared in accordance with generally accepted accounting principles ("Non-GAAP Financial Measures"). A reconciliation of the Non-GAAP Financial Measures to financial information prepared in accordance with generally accepted accounting principles ("GAAP"), as required by Regulation G, appears at the end of such presentation. The Company is providing disclosure of the reconciliation of reported Non-GAAP Financial Measures used in the investor presentation, among other places, to its comparable financial measures on a GAAP basis. The Company believes that the Non-GAAP Financial Measures provide investors additional ways to view our operations, when considered with both our GAAP results and the reconciliation to non-GAAP financial information, which we believe provide a more complete understanding of our business than could be obtained absent this disclosure.

The information in this Item 7.01 and in Exhibit 99.1 is summary information that is intended to be in the context of the Company's Securities and Exchange Commission ("SEC") filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in the investor presentation, except as required by law. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases, or through other public disclosure.

The information in this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be deemed subject to the requirements of amended Item 10 of Regulation S-K, nor shall it be deemed incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The furnishing of this information hereby shall not be deemed an admission as to the materiality of such information.

Item 9.01 Financial Statements and Exhibits.

- (d) Exhibits
 - 10.1 [2019 HireQuest, Inc. Non-Employee Director Compensation Plan](#)
 - 10.2 [Employment Agreement among the Subsidiary, the Company, and Richard Hermanns](#)
 - 10.3 [Employment Agreement among the Subsidiary, the Company, and John McAnnar](#)
 - 10.4 [Addendum to Employment Agreement between the Company and Cory Smith](#)
 - 99.1 [HireQuest, Inc. Investor Presentation September 2019 \(furnished only\)](#)
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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, hereunto duly authorized.

Date: September 26, 2019

HIREQUEST, INC.
(Registrant)

/s/ John McAnnar _____
John McAnnar
Vice President and General Counsel

2019 HIREQUEST, INC. NON-EMPLOYEE DIRECTOR COMPENSATION PLAN

1. Purpose. This Non-Employee Director Compensation Plan (the "**Plan**") is intended to attract highly-qualified individuals to serve as Non-Employee Directors of HireQuest, Inc. (the "**Company**") and to provide Non-Employee Directors with incentives and rewards that motivate superior oversight and protection of the Company's business.

2. Definitions.

"**Affiliate**" means a corporation or other entity that, directly or through one or more intermediaries, controls, is controlled by or is under common control with, the Company.

"**Annual Award**" means an equity award granted pursuant to Section 6.3 of the Plan.

"**Audit Committee**" means the Audit Committee of the Board.

"**Award**" means an Annual Award or an Initial Award.

"**Award Agreement**" means an agreement by and between a Non-Employee Director and the Company evidencing the terms of an Award and entered into pursuant to the terms of the Equity Incentive Plan.

"**Board Annual Retainer**" means the annual fee payable by the Company to a Non-Employee Director with respect to his or her service as a member of the Board.

"**Board or Board of Directors**" means the Board of Directors of the Company, as constituted from time to time.

"**Board Term**" means the approximate 12-month period commencing on the date of the Company's annual meeting of shareholders at which Board members are elected or appointed for the year.

"**Cause**" means a determination by a majority of the disinterested Board members that the Non-Employee Director has engaged in any of the following:

(a) malfeasance in office;

(b) gross misconduct or neglect;

(c) false or fraudulent misrepresentation inducing the director's appointment;

(d) willful conversion of corporate funds; or

(e) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

"**Change in Control**" has the same meaning as in the Equity Incentive Plan.

"**Code**" means the Internal Revenue Code of 1986, as it may be amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder.

"**Committee**" means a standing committee of the Board.

"**Committee Annual Retainer**" means the annual fee payable by the Company to a Non-Employee Director with respect to his or her service on a Committee (which shall not include the Chair of such Committee).

"**Committee Chair**" means the Non-Employee Director serving as the chair of a Committee.

"**Committee Chair Annual Retainer**" means the annual fee payable by the Company to a Committee Chair with respect to his or her service as a Committee Chair.

"**Company**" means HireQuest, Inc., a Delaware corporation, including any successor thereto.

"**Compensation Committee**" means the Compensation Committee of the Board.

"**Effective Date**" means the date as of which this Plan is adopted by the Board.

"**Equity Incentive Plan**" means the Command Center, Inc. 2016 Stock Incentive Plan.

"**Grant Date**" means, with respect to an Annual Award, the date of the annual meeting of shareholders at which the Non-Employee Director is appointed or elected for the next Board Term and with respect to an Initial Award, the date on which the Board adopts this Plan.

"**Initial Award**" means an equity award granted pursuant to Section 6.2 of the Plan.

"**Nominating and Governance Committee**" means the Nominating and Governance Committee of the Board.

"**Non-Employee Director**" means a member of the Board who is not an officer or employee of the Company or any of its subsidiaries or Affiliates.

"**Plan**" means this 2019 HireQuest, Inc. Non-Employee Director Compensation Plan, as set forth herein, and as amended from time to time.

"**Quarterly Payment Dates**" has the meaning set forth in Section 5.4 of the Plan.

"**Restricted Shares**" means all restricted shares of Company common stock issued to non-employee directors pursuant to this Agreement and the Equity Incentive Plan.

"**Restricted Share Account**" means the recordkeeping account established by the Company for each Non-Employee Director for which Restricted Shares are credited in accordance with Section 6 of the Plan.

"**Section 409A**" means Section 409A of the Code and all authoritative interpretive guidance issued thereunder.

"**Separation from Service**" means a Non-Employee Director ceasing to be a member of the Board due to a voluntary or involuntary separation from service, for any reason, determined in accordance with Section 409A.

"**Share**" means a share of the Company's common stock, par value \$0.001.

"**Vice-Chairman Annual Retainer**" means the annual fee payable by the Company to the Vice-Chairman of the Board with respect to his or her service as Vice-Chairman of the Board.

3. Administration. The Plan shall be administered by the Compensation Committee which shall have the authority to construe and interpret the Plan, prescribe, amend and rescind rules relating to the Plan's administration and take any other actions necessary or desirable for the administration of the Plan. The Compensation Committee may correct any defect or supply any omission or reconcile any inconsistency or ambiguity in the Plan. The decisions of the Compensation Committee shall be final and binding on all persons. All expenses of administering the Plan shall be borne by the Company.

4. Eligibility. Each Non-Employee Director shall be eligible to receive the compensation provided hereunder. Directors who are also employees of the Company do not receive additional compensation for service as a director and shall not be eligible to participate in the Plan.

5. Cash Compensation.

5.1 Board Member Annual Retainer. Each Non-Employee Director who is elected or appointed to the Board at an annual meeting of shareholders shall receive a Board Annual Retainer for the Board Term that commences on election or appointment at such meeting. The amount of the Board Annual Retainer shall be \$36,000.00.

A Non-Employee Director who is appointed or elected to the Board after the annual meeting of shareholders but during the applicable Board Term or who experiences a Separation from Service during the Board Term shall receive a pro-rated portion of the Board Annual Retainer for the Board Term based on the number of complete days of the Board Term during which the Non-Employee Director serves as a member of the Board, unless otherwise determined by the Compensation Committee.

5.2 Committee Annual Retainer. Each Non-Employee Director who is appointed to serve as a member (but not the Chair) of a Committee by the Board of Directors on the date of the annual meeting of shareholders shall receive a Committee Annual Retainer for the Board Term that commences on appointment. The amount of the Committee Annual Retainer shall be as follows:

- (a) Members of the Audit Committee shall be paid a Committee Annual Retainer of \$5,500.00;
- (b) Members of the Compensation Committee shall be paid a Committee Annual Retainer of \$3,500.00;

- (c) Members of the Nominating and Governance Committee shall be paid a Committee Annual Retainer of \$3,500.00; and
- (d) Members of any other special committee established by the Board shall be paid a Committee Annual Retainer, if any, as determined by the Board.

A Non-Employee Director who is appointed to a Committee after the annual meeting of shareholders but during the applicable Board Term or who experiences a Separation from Service during the Board Term shall receive a pro-rated portion of the Committee Annual Retainer for the Board Term based on the number of complete days of the Board Term during which the Non-Employee Director serves on the applicable Committee, unless otherwise determined by the Compensation Committee.

5.3 Vice-Chairman Annual Retainer; Committee Chair Annual Retainer. Each Non-Employee Director who is appointed either to serve as Vice-Chairman of the Board or to serve as a Committee Chair by the Board of Directors on the date of the annual meeting of shareholders shall receive a Vice-Chairman Annual Retainer or Committee Chair Annual Retainer, as applicable, for the Board Term that commences on appointment. The amount of such Vice-Chairman Annual Retainer or Committee Chair Annual Retainer shall be as follows:

- (a) The Vice-Chairman of the Board shall be paid a Vice-Chairman Annual Retainer of \$12,500.00;
- (b) The Chair of the Audit Committee shall be paid a Committee Chair Annual Retainer of \$8,500.00;
- (c) The Chair of the Compensation Committee shall be paid a Committee Chair Annual Retainer of \$5,500.00;
- (d) The Chair of the Nominating and Governance Committee shall be paid a Committee Chair Annual Retainer of \$5,500.00; and
- (e) The Chair of any other special committee established by the Board shall be paid a Committee Chair Annual Retainer, if any, as determined by the Board.

A Non-Employee Director who is appointed as a Committee Chair after the annual meeting of shareholders but during the applicable Board Term or who experiences a Separation from Service during the Board Term shall receive a pro-rated portion of the Committee Chair Annual Retainer for the Board Term based on the number of complete days of the Board Term during which the Non-Employee Director serves as the applicable Committee Chair, unless otherwise determined by the Compensation Committee.

For the sake of clarity, a Non-Employee Director shall not be entitled to both a Committee Annual Retainer and a Committee Chair Annual Retainer with respect to the same Committee and Board Term.

5.4 Form of Payment of Annual Retainers. Except as otherwise provided herein, Board Annual Retainers, Committee Annual Retainers, Vice-Chairman Annual Retainers, and Committee Chair Annual Retainers, as applicable, shall be paid in cash, in arrears, in equal quarterly installments due within 15 days after the end of a fiscal quarter (the "**Quarterly Payment Dates**"). Any pro-rated portion of any Board Annual Retainer, Committee Annual Retainer, Vice-Chairman Annual Retainer or Committee Chair Annual Retainer, as applicable, for any quarter shall be payable on the next regularly scheduled Quarterly Payment Date.

6. Equity Compensation.

6.1 Source of Shares. All grants of equity awards contemplated by this Plan shall be issued under the Equity Incentive Plan, subject to all of the terms and conditions thereof and only to the extent that Shares remain available for issuance under the Equity Incentive Plan. The terms of the Equity Incentive Plan are incorporated into this Plan with respect to any equity awards paid hereunder. In the event of any inconsistency between the Equity Incentive Plan and this Plan with respect to the equity awards, the terms of the Equity Incentive Plan shall control. The Plan does not constitute a separate source of Shares for the granting of any equity awards hereunder.

6.2 Initial Awards.

(a) Initial Restricted Shares.

On the Grant Date for Initial Awards, each Non-Employee Director then serving on the Board will receive an Initial Award consisting of 15,000 Restricted Shares (the "Initial Restricted Shares"). The Initial Restricted Shares shall be granted pursuant to the terms of the Equity Incentive Plan and an Award Agreement between the Non-Employee Director and the Company.

(b) Vesting of Initial Restricted Shares.

The Initial Restricted Shares shall vest in three equal annual installments beginning on the date that immediately precedes the 2020 annual meeting of shareholders of the Company, with the remainder vesting in equal installments on the first two anniversaries of that date, *provided, however*, that if the vesting date would otherwise occur during a Company blackout period pursuant to the Company's Insider Trading Policy, said shares shall vest on the first day immediately following the end of the blackout period. Except as otherwise provided herein, if a Non-Employee Director experiences a Separation from Service before the Initial Restricted Shares vest, then the unvested portion of the Initial Restricted Shares shall be automatically forfeited, *provided, however*, that all non-employee directors serving on the date immediately preceding an annual meeting shall not forfeit that year's vesting solely because vesting occurs during a blackout period.

Notwithstanding the foregoing, if a Change in Control occurs and a Non-Employee Director's service is involuntarily terminated by the Company or an Affiliate other than for Cause and the Non-Employee Director's termination date occurs within 12 months following a Change in Control, the unvested portion of the Non-Employee Director's Initial Restricted Shares shall immediately vest on the date of the Non-Employee Director's Separation from Service.

(c) Voting and Dividends.

A Non-Employee Director shall have a right to vote any Initial Restricted Shares during the vesting period. In addition, the Non-Employee Director's Restricted Share Account shall be credited with stock equivalent to all dividends paid during the vesting period. Said dividends are subject to vesting of the Initial Restricted Shares and shall be forfeited in the event the Initial Restricted Shares do not vest.

6.3 Annual Awards.

(a) Annual Restricted Shares.

On the Grant Date for Annual Awards, each Non-Employee Director who continues as a member of the Board following the annual meeting of shareholders will receive an Annual Award consisting of 5,000 Restricted Shares ("Annual Restricted Shares"). The Annual Restricted Shares shall be granted pursuant to the terms of the Equity Incentive Plan and an Award Agreement between the Non-Employee Director and the Company.

(b) Vesting of Annual Restricted Shares.

The Annual Restricted Shares shall vest in full on the three-month anniversary of the corresponding Grant Date for Annual Awards, *provided, however*, that if the vesting date would otherwise occur during a Company blackout period pursuant to the Company's Insider Trading Policy, said shares shall vest on the first day immediately following the end of the blackout period. Except as otherwise provided herein, if a Non-Employee Director experiences a Separation from Service before the Annual Restricted Shares vest, then the unvested portion of the Annual Restricted Shares shall be automatically forfeited, *provided, however*, that all non-employee directors serving on the date immediately preceding an annual meeting shall not forfeit that year's vesting solely because vesting occurs during a blackout period.

Notwithstanding the foregoing, if a Change in Control occurs and a Non-Employee Director's service is involuntarily terminated by the Company or an Affiliate other than for Cause and the Non-Employee Director's termination date occurs within 12 months following a Change in Control, the unvested portion of the Non-Employee Director's Annual Restricted Shares shall immediately vest on the date of the Non-Employee Director's Separation from Service.

(c) Voting and Dividends.

A Non-Employee Director shall have a right to vote any Annual Restricted Shares during the vesting period. In addition, the Non-Employee Director's Restricted Share Account shall be credited with stock equivalent to all dividends paid during the vesting period. Said dividends are subject to vesting of the Annual Restricted Shares and shall be forfeited in the event the Annual Restricted Shares do not vest.

7 . Reimbursement of Expenses. The Company shall reimburse each Non-Employee Director for his or her reasonable business expenses incurred in connection with the performance of his or her duties, including reasonable travel and other expenses incurred by the Non-Employee Director to attend Board and Committee meetings. Each Non-Employee Director shall provide to the Company such receipts and other records related to such reimbursable expenses as the Company may require.

8. To the extent that any reimbursement under the Plan provides for a deferral of compensation under Section 409A, (a) the amount eligible for reimbursement in one calendar year may not affect the amount eligible for reimbursement in any other calendar year; (b) the right to reimbursement is not subject to liquidation or exchange for another benefit; and (c) any such reimbursement of an expense must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred.

9. Stock Ownership Requirements. Non-Employee Directors must own, by the later of July 15, 2021 or the second anniversary of their initial election or appointment to the Board, Shares having a value equal to the amount of the Board Annual Retainer in place at the time of his or her initial election or appointment to the Board. Stock ownership for purposes of these guidelines includes Shares purchased on the open market or received via the Company's Director Stock Purchase Matching Program set forth in Section 10, below, but does not include shares received via Initial Awards or Annual Awards. The Board may make exception to this policy in its discretion.

10. Director Stock Purchase Matching Program. The Company shall match 20% of the purchases of common stock of the Company that any Non-Employee Director makes during the time period commencing on the Effective Date and ending on the date on which the stock ownership requirements in Section 9 above no longer apply to such Non-Employee Director ("Stock Purchase Matching Period"). For purposes of this section, a purchase shall include stock received by a director in-lieu of cash compensation due to the Director for providing services. This program shall be subject to the following terms and conditions:

(a) The shares of common stock issued by the Company pursuant to this Section shall be Restricted Shares (the "Matching Restricted Stock") and shall not vest until the second anniversary of the date on which the Non-Employee Director purchased the common stock that triggered the matching obligation (a "Triggering Purchase").

(b) If such anniversary occurs during a Company blackout period under the Company's Insider Trading Policy, the Matching Restricted Stock shall vest on the first day immediately following the end of the blackout period.

(c) The Matching Restricted Stock shall only vest if the Non-Employee Director serves on the Board on such vesting date and owns at least the same number of shares of Company common stock that were matched at the time of the Triggering Purchase.

(d) The number of shares of Matching Restricted Stock that the Company shall issue to any one Non-Employee Director pursuant to this Section shall not exceed \$25,000 in value in the aggregate within any one-year period.

(e) The Board may accommodate exceptions to these provisions in its discretion to account for special or unforeseen circumstances.

11. General Provisions.

11.1 Unfunded Obligations. The amounts to be paid to Non-Employee Directors under the Plan are unfunded obligations of the Company. The Company is not required to segregate any monies or other assets from its general funds with respect to these obligations. Non-Employee Directors shall not have any preference or security interest in any assets of the Company other than as a general unsecured creditor.

11.2 No Right to Continued Board Membership. Neither the Plan nor any compensation paid hereunder will confer on any Non-Employee Director the right to continue to serve as a member of the Board or in any other capacity.

11.3 Nonassignment. Any and all rights of a Non-Employee Director respecting payments under this Plan may not be assigned, transferred, pledged or encumbered in any manner, other than by will or the laws of descent and distribution, and any attempt to do so shall be void.

11.4 Successors and Assigns. The Plan shall be binding on the Company and its successors and assigns.

11.5 Entire Plan. This Plan constitutes the entire plan with respect to the subject matter hereof (other than matters covered by the Equity Incentive Plan) and supersedes all prior plans with respect to the subject matter hereof.

11.6 Compliance with Law. The obligations of the Company with respect to payments under the Plan are subject to compliance with all applicable laws and regulations.

11.7 Term of Plan. The Plan shall become effective on the Effective Date and shall continue until terminated by the Board.

11.8 Termination and Amendment. The Board may at any time amend or modify this Plan in whole or in part. Notwithstanding the foregoing, no amendment or termination of the Plan may impair the right of a Non-Employee Director to receive any amounts accrued hereunder prior to the effective date of such amendment or termination.

11.9 Applicable Law. The law of the State of Delaware shall govern all questions concerning the construction, validity and interpretation of the Plan, without regard to such state's conflict of law rules.

11.10 Section 409A. The Plan is intended to comply with the requirements of Section 409A, to the extent applicable, and shall be interpreted accordingly. Notwithstanding the foregoing, the Company makes no representations or covenants that any compensation paid or awarded under the Plan will comply with Section 409A.

11.11 Withholding. To the extent required by applicable Federal, state or local law, a Non-Employee Director must make arrangements satisfactory to the Company for the payment of any withholding or similar tax obligations that arise in connection with the Plan.

11.12 Severability. If any provision of the Plan shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and the Plan shall be construed as if such invalid or unenforceable provision were omitted.

11.13 Headings. The headings of sections herein are included solely for convenience and shall not affect the meaning of any of the provisions of the Plan.

EMPLOYMENT AGREEMENT

This Employment Agreement (this "**Agreement**"), is dated as of September 1, 2019 (the "**Effective Date**"), by and among **HQ LTS Corporation**, a Delaware corporation (the "**Company**"), **HireQuest, Inc.**, a Delaware corporation (the "**Parent**") and **Richard F. Hermanns**, an individual ("**Executive**").

WHEREAS, the Company is wholly-owned by the Parent; and

WHEREAS, the Executive desires to be employed by the Company on the terms and conditions set forth herein; and

WHEREAS, in connection therewith, the Company, the Parent, and Executive desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

PART ONE – DEFINITIONS

Definitions. For purposes of this Agreement, the following definitions will be in effect:

"Affiliates" means all persons and entities directly or indirectly controlling, controlled by or under common control with the entity specified, where control may be by management authority, contract or equity interest.

"Board" means the Board of Directors of the Parent or the Compensation Committee thereof (or any other committee subsequently granted authority by the Board), subject to Section 14 below.

"Change of Control" means a change in the ownership or control of the Parent effected through any of the following transactions: (i) a merger, consolidation or reorganization approved by the Parent's stockholders, unless securities representing more than fifty percent (50%) of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the persons who beneficially owned the Parent's outstanding voting securities immediately prior to such transaction, (ii) any stockholder-approved sale, transfer or other disposition of all or substantially all of the Parent's assets, or (iii) the acquisition, directly or indirectly, by any person or related group of persons (other than the Parent or a person that directly or indirectly controls, is controlled by or is under common control with, the Parent) of beneficial ownership (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) of securities possessing more than fifty percent (50%) of the total combined voting power of the Parent's outstanding securities pursuant to a tender or exchange offer made directly to the Parent's stockholders. Notwithstanding the foregoing, however, in any circumstance or transaction in which compensation payable pursuant to this Agreement would be subject to the tax under Section 409A of the Code if the foregoing definition of "Change of Control" were to apply, but would not be so subject if the term "Change of Control" were defined herein to mean a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5), then "Change of Control" means, but only to the extent necessary to prevent such compensation from becoming subject to the tax under Section 409A of the Code, a transaction or circumstance that satisfies the requirements of both (1) a Change of Control under the applicable clauses (i) through (iv) above, and (2) a "change in control event" within the meaning of Treasury Regulation Section § 1.409A-3(i)(5).

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury regulations and administrative guidance promulgated thereunder.

"**Company**" means, unless the context otherwise requires, HQ LTS Corporation, a Delaware corporation.

"**Compensation Committee**" means the Compensation Committee of the Board.

"**Employment Period**" means the Term and all subsequent Terms.

"**Good Reason**" shall mean the occurrence of any of the following without Executive's consent: (i) a material reduction of Executive's duties or responsibilities, relative to Executive's duties or responsibilities as in effect immediately prior to such reduction; (ii) a reduction of more than ten percent (10%) in Executive's Base Salary as in effect immediately prior to such reduction; (iii) a reduction of more than ten percent (10%) by the Company in the kind or level of employee benefits, including bonuses, for which Executive was eligible (although amounts actually earned will vary) immediately prior to such reduction, with the result that Executive's overall benefits package is materially reduced; (iv) the relocation of Executive to a facility or a location more than twenty-five (25) miles from his current office in St. Petersburg, Florida; provided, however, that a reduction that is generally applicable to all executives of the Company shall not constitute "Good Reason" under clauses (ii) and (iii) hereof. A termination of employment by Executive shall not be deemed to be for Good Reason unless (A) Executive gives the Company written notice describing the event or events which are the basis for such termination within 60 days after the event or events occur, (B) such grounds for termination (if susceptible to correction) are not corrected by the Company within 30 days of the Company's receipt of such notice (the "**Correction Period**"), and (C) Executive terminates Executive's employment no later than 30 days following the Correction Period.

"**Termination for Cause**" shall mean the Company's termination of Executive's employment for any of the following reasons: (i) Executive's commission of any act of fraud, embezzlement or dishonesty, (ii) the arrest or conviction of Executive, or the entry of a plea of nolo contendere by Executive, for a felony; (iii) Executive's unauthorized use or disclosure of any confidential information or trade secrets of the Company, (iv) the disclosing or using of any material Confidential Information (as hereinafter defined) of Company at any time by Executive, except as required in connection with his duties to Company, (v) Executive's violation of a published Company policy which stipulates the Executive may be terminated by the Company for cause; or (vi) Executive's continued failure, in the reasonable good faith determination of the Board (excluding Executive therefrom), to perform the major duties, functions and responsibilities of Executive's position after written notice from the Company identifying the deficiencies in Executive's performance and a reasonable cure period of not less than thirty (30) days.

PART TWO - TERMS AND CONDITIONS OF EMPLOYMENT

The following terms and conditions will govern Executive's employment with the Company throughout the Employment Period and will also, to the extent expressly indicated below, remain in effect following Executive's cessation of employment with the Company.

1. **Employment and Duties.** During the Employment Period, Executive will serve as the President and Chief Executive Officer of HireQuest, Inc. and of HQ LTS Corporation and will report to the Board. Executive will have such duties and responsibilities as are commensurate with such position and such other duties and responsibilities commensurate with such position (including with the Parent's subsidiaries) as are from time to time assigned to Executive by the Board (or a committee thereof). During the Employment Period, Executive will devote his full business time, energy and skill to the performance of his duties and responsibilities hereunder, provided the foregoing will not prevent Executive from (a) serving as a non-executive director on the board of directors of non-profit organizations and other companies, (b) participating in charitable, civic, educational, professional, community or industry affairs, (c) managing his and his family's personal investments, including, without limitation, serving as President and Chief Executive Officer of Hermanns Real Estate Ventures, LLC and Hermanns Family Industries, Inc. and in an advisory capacity related to current or potential investments, (d) serving in his current roles with Bass Underwriters, or (e) such other activities approved by the Board from time to time; provided, that such activities individually or in the aggregate do not interfere or conflict with Executive's duties and responsibilities hereunder, violate applicable law, or create a potential business or fiduciary conflict.

2. **Service as Director.** Executive shall continue to serve on Parent's Board of Directors. For as long as Executive shall continue to serve as President and Chief Executive Officer, he shall stand for re-election to such position at each annual meeting of the Parent's stockholders. Executive's failure to be re-elected to the Board, in and of itself, shall not constitute a termination of this Agreement (and shall not constitute a Termination for Cause or a resignation by Executive for Good Reason, each as defined in this Agreement), nor shall it entitle Executive to any severance benefits. Pursuant to the Parent's policies, for the duration of this Agreement, Executive will fulfill his duties as a director without additional compensation. This Agreement shall not in any way be construed or interpreted so as to affect adversely or otherwise impair the right of the Parent or the stockholders to remove the Executive from the Board at any time in accordance with the provisions of applicable law.

3. **Term.** The term of this Agreement shall run for a period from the Effective Date through August 31, 2022 (such period, the "**Term**"), and may be terminated earlier as contemplated by Section 8.A. Termination of this Agreement due to its non-renewal shall not constitute a Termination for Cause or a resignation by Executive for Good Reason.

4. **Compensation; Additional Incentives.**

A. **Base Salary.** Executive's base salary (the "**Base Salary**") will be paid at the rate of \$31,250.00 monthly (\$375,000.00 annualized) during the Term. Executive's Base Salary may be increased by the Compensation Committee and/or Board in their sole discretion, but shall not be decreased without Executive's consent. Executive's Base Salary will be paid at periodic intervals in accordance with the Company's normal payroll practices for salaried employees. The Executive will be eligible to participate in a non-qualified retirement plan set up by the Company with an employee match at least equivalent to that provided by the Company to any Company employees entitled to participate in any Company 401(k) plan.

B. Bonus Opportunities.

(i) *Discretionary Bonus.* With respect to each fiscal year beginning with the fiscal year ending December 31, 2019, the Compensation Committee shall have sole discretion to award a discretionary bonus to the Executive.

(ii) *2019 Bonus.* For fiscal year ending December 31, 2019, the Company shall pay to Employee a one-time bonus in the amount of \$250,000 in addition to any discretionary bonus.

(iii) *Pre-Tax Income Bonus.* Beginning with the fiscal year ending December 31, 2020, and for each fiscal year thereafter during the Term, the Compensation Committee shall award and the Company shall pay to Executive an amount equal to annual pre-tax income of the Parent and all of its subsidiaries on a combined system-wide basis in the fiscal year multiplied by 0.5% (one-half of one percent) adjusted by the Compensation Committee in good faith to account for extraordinary items (e.g., non-recurring extraordinary items). To be clear the Compensation Committee or the Board has full and absolute discretion to amend the calculation if it leads to a result that is unreasonable when compared to the overall performance of the Company.

(iv) *Sales Increase Bonus.* Beginning with the fiscal year ending December 31, 2020, and for each fiscal year thereafter during the Term, the Compensation Committee shall award and the Company shall pay to Employee an amount equal to eight times (8x) the percentage year-over-year increase in System-Wide Sales multiplied by the Executive's then-existing annualized base salary. System-Wide Sales shall mean the sum of all sales generated by all franchisees of any subsidiary of Parent on a combined basis. By way of example, an nine percent (9%) year-over-year increase in System-Wide Sales would result in a sales increase bonus equal to (8 x 9%) or 72% of Executive's then-existing base salary, or \$270,000.00 (\$375,000.00 x 72%) assuming an annual base salary of \$375,000.00. Qualifying Sales will have to have a similar margin profile to those historical of HireQuest. To be clear the Compensation Committee or the Board has full and absolute discretion to amend the calculation if it leads to a result that is unreasonable when compared to the overall performance of the Company.

(v) *Pro-Rata Payment.* In the event Executive is no longer employed by the Company at the time any Bonus in this Section 4.B accrues, Executive shall be paid such bonus pro rata based on the number of days he was employed by the Company.

(vi) *Short-Term Deferral.* Any bonus payable pursuant to Sections 4.B.(i), 4.B.(ii), 4.B.(iii), or 4.B.(iv) shall be paid to the Employee within a reasonable time, but in no event later than 60 calendar days, after the last day of the applicable fiscal year to which the bonus relates.

C. The Company may deduct and withhold, from the compensation payable and benefits provided to Executive hereunder, any and all applicable federal, state, local and other taxes and any other amounts required to be deducted or withheld by the Company under applicable statute or regulation.

D. To the extent that any compensation paid or payable pursuant to this Agreement is considered "incentive-based compensation" within the meaning and subject to the requirements of Section 10D of the Exchange Act, such compensation shall be subject to potential forfeiture or recovery by the Company in accordance with any compensation recovery policy adopted by the Board or any committee thereof in response to the requirements of Section 10D of the Exchange Act and any implementing rules and regulations thereunder adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's common stock is then listed. This Agreement may be unilaterally amended by the Company to comply with any such compensation recovery policy.

5. Equity Compensation.

A. Upon execution of this Agreement, Executive shall be granted and issued 50,000 restricted shares of Parent common stock pursuant to the Command Center, Inc. 2016 Stock Incentive Plan, or any successor plan, subject to the terms and conditions of the plan, which shall vest and become unrestricted according to the following schedule: 50% on the second anniversary of the Effective Date of this Agreement, and 6.25% per fiscal quarter for each of the first eight fiscal quarters occurring thereafter *provided, however*, that this vesting schedule is subject to vesting upon termination of Executive's employment as set forth in Section 7.

6. Expense Reimbursement; Fringe Benefits; Paid Time Off (PTO).

A. Executive will be entitled to reimbursement from the Company for customary, ordinary and necessary business expenses incurred by Executive in the performance of Executive's duties hereunder, provided that Executive's entitlement to such reimbursements shall be conditioned upon Executive's provision to the Company of vouchers, receipts and other substantiation of such expenses in accordance with Company policies.

B. Company will pay for dues and fees required for any professional licenses maintained by Executive, membership in professional or industry associations, continuing education requirements associated with any professional license and conferences and seminars commonly attended by executives in similar companies.

C. During the Employment Period, Executive will be eligible to participate in any group life insurance plan, group medical and/or dental insurance plan, accidental death and dismemberment plan, short-term disability program and other employee benefit plans, including profit sharing plans, cafeteria benefit programs and stock purchase and option plans, which are made available to executives of the Company and for which Executive qualifies under the terms of such plan or plans.

D. Executive shall be entitled to paid vacation pursuant to the Company's policies in the same amount as is available to other employees of the Company with equivalent tenure giving credit to Executive for years of employment by Hire Quest Financial, LLC, Hire Quest, LLC, and their affiliated entities.

7. Executive Covenants.

A. Covenants. During the 30 days following the termination of the Employment Period, Executive will take all actions the Parent or Company may reasonably request to maintain the Parent's or Company's business, goodwill and business relationships and to assist with transition matters, all at Company expense. In addition, upon the receipt of notice from the Parent or Company (including outside counsel), during the Employment Period and thereafter, Executive will respond and provide information with regard to matters in which he has knowledge as a result of his employment with the Company, and will provide assistance to the Parent or Company and its representatives in the defense or prosecution of any claims that may be made by or against the Parent or Company, to the extent that such claims may relate to the period of Executive's employment with the Company, all at Company expense. During the Employment Period and thereafter, Executive shall promptly inform the Parent and Company if he becomes aware of any lawsuits involving such claims that may be filed or threatened against the Parent or Company. During the Employment Period and thereafter, Executive shall also promptly inform the Parent and Company (to the extent he is legally permitted to do so) if he is asked to assist in any investigation of the Parent or Company (or its actions), regardless of whether a lawsuit or other proceeding has then been filed against the Parent or Company with respect to such investigation, and will not do so unless legally required. The Company will pay Executive at a rate of \$350.00 per hour, plus reasonable expenses, in connection with any actions requested by the Parent or Company under this paragraph following any termination of Executive's employment, with such amounts being paid to Executive at periodic intervals in accordance with the Company's normal payroll practices for salaried employees. Executive's obligations under this paragraph shall be subject to the Parent's and Company's reasonable cooperation in scheduling in light of Executive's other obligations. Executive will seek and obtain Board approval prior to committing Company, Parent, or any of their Affiliates to any material transaction involving any party which is an Affiliate or related party (as that term is defined by the SEC and relevant securities laws) of Executive.

B. Survival of Provisions. The obligations contained in this Section 7 will survive the termination of Executive's employment with the Company and will be fully enforceable thereafter.

8. Termination of Employment.

A. General. Subject to Sections 8.D and 8F, Executive's employment with the Company is "at-will" and may be terminated at any time by either Executive or the Company for any reason (or no reason) in accordance with this Agreement, which will also result in the Term ending, by the party seeking to terminate Executive's employment providing 60-days written notice of such termination to the other party. The 60-day notice shall not be required in the final 60 days of the Term. If the Company intends to renew Executive's agreement, the Company shall employ reasonable best efforts to engage the Executive in negotiations 90 days prior the final day of the Term.

B. Death and Permanent Disability. Upon the death or permanent disability of the Executive during the Term, the employment relationship created pursuant to this Agreement will immediately terminate, the Term will end, and amounts will only be payable under this Agreement as specified in this Section 8.B. Should Executive's employment with the Company terminate by reason of Executive's death or permanent disability during the Employment Period, Executive, or Executive's estate, shall be entitled to receive:

- (i) the unpaid Base Salary earned by Executive pursuant to Section 4.A for services rendered through the date of Executive's death or permanent disability, as applicable, payable in accordance with the Company's normal payroll practices for terminated salaried employees plus all of Executive's accrued paid time off or vacation;
- (ii) an amount equal to the Base Salary the Executive would have earned in the 60 day period following Executive's death or permanent disability, assuming said death or disability had not occurred;
- (iii) reimbursement of all expenses for which Executive is entitled to be reimbursed pursuant to Section 6, payable in accordance with the Company's normal reimbursement practices;
- (iv) the right to continue health care benefits under the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended, at Executive's cost, to the extent required and available by law and subject to the Company continuing to maintain a group health plan;
- (v) any accrued but unpaid Bonus pursuant to Section 4.B, payable at such time as provided in Section 4.B;
- (vi) pro-rata vesting of the restricted stock award set forth in Section 4.A calculated as if the restricted stock had vested and become unrestricted on a monthly basis. By way of example, if Executive becomes permanently disabled one year after the execution of this Agreement, 25% of his restricted stock shall immediately vest and become unrestricted. By way of further example, if Executive becomes permanently disabled two years and two months after the execution of this Agreement, 54.17% of his restricted stock shall immediately vest and become unrestricted (2.083% vesting per month x 26 months).
- (vii) the limited death, disability, and/or income continuation benefits provided under Section 6.C, if any, will be payable in accordance with the terms of the plans pursuant to which such limited death or disability benefits are provided.

Compensation and benefits provided pursuant to Section 8.B.(i) through 8.B.(vi) are collectively referred to as the "**Accrued Obligations.**"

If Executive's death occurs before payment of any earned Bonus set forth in section 4.B.(i) – 4.B.(iv) of this Agreement, the applicable payments will be made to the Executive's estate. For purposes of this Agreement, Executive will be deemed "permanently disabled" if Executive is so characterized pursuant to the terms of the Company's disability policies or programs applicable to Executive from time to time, or if no such policy is applicable, if the Compensation Committee determines, in its reasonable discretion, that Executive is unable to perform the essential functions of Executive's duties for physical or mental reasons for ninety (90) days in any twelve-month period.

C. Termination for Cause; Resignation without Good Reason. The Company may at any time during the Employment Period, upon written notice summarizing with reasonable specificity the basis for the Termination for Cause, terminate Executive's employment hereunder for any act qualifying as a Termination for Cause. Such termination will be effective immediately upon such notice. Upon any Termination for Cause (or employee's resignation other than for Good Reason), Executive shall be solely entitled to receive:

- (i) the unpaid Base Salary and Bonuses earned by Executive pursuant to Section 4 for services rendered through the date of termination, payable in accordance with the Company's normal payroll practices for terminated salaried employees plus all of Executive's accrued paid time off or vacation;
- (ii) reimbursement of all expenses for which Executive is entitled to be reimbursed pursuant to Section 6, payable in accordance with the Company's normal reimbursement practices; and
- (iii) the right to continue health care benefits under the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended, at Executive's cost, to the extent required and available by law and subject to the Company continuing to maintain a group health plan.

D. Involuntary Termination Without Cause by the Company; Resignation by Executive for Good Reason. The Company shall be entitled to terminate Executive with 60-days' notice, other than a Termination for Cause, and Executive shall be entitled to resign with or without Good Reason, in each case at any time. The 60-day notice shall not be required in the final 60 days of the Term. If the Company intends to renew Executive's agreement, the Company shall employ reasonable best efforts to engage the Executive in negotiations 90 days prior the final day of the Term. If Executive (1) is terminated by the Company other than in circumstances constituting a Termination for Cause, or (2) resigns for Good Reason, then Executive shall be solely entitled to receive:

- (i) The Accrued Obligations through the date of termination, payable in a lump sum within 15 days;
- (ii) An amount equal to Executive's base salary for an eighteen (18) month period;
- (iii) Full payment of the 2019 Bonus under Section 4.B(ii);
- (iv) Pro-rated payment of all Bonuses in Section 4.B.(iii) and 4.B.(iv);

(v) All restrictions on any restricted stock or restricted stock unit awards made to the Executive by the Company, the Parent or its affiliates shall lapse such that Executive is fully and immediately vested in such awards upon such termination of employment; any stock options or stock appreciation rights granted to Executive pursuant to the Company's, the Parent's or its affiliate's equity-based incentive plan(s) shall become fully and immediately vested upon such termination of employment; and any performance shares, performance units or similar performance-based equity awards granted to Executive pursuant to the Company's, the Parent's or its affiliate's equity-based incentive plan(s) shall be deemed earned on a pro-rated basis according to the portion of the performance period that has elapsed through the date of the termination of employment as if all performance requirements had been satisfied at the target level (or such higher level as would have been achieved if performance through the date of the termination of employment had continued through the end of the performance period). All such grants are awarded to and subject to the Equity Compensation Plan applicable to the grant as adopted by the Board and amended from time to time.

(vi) For purposes of clarity, a termination of Executive's employment due to Executive's death or to Executive's permanent disability shall not be considered either a termination by the Company without cause or a resignation by Executive for Good Reason, and such termination shall not entitle Executive (or his heirs or representatives) to any compensation or benefits pursuant to this Section 8.D.

E. Termination by Non-Renewal. In the event the company fails to renew Executive's employment before the expiration of this Agreement (" **Non-Renewal**"), Executive shall be entitled to receive:

- (i) The Accrued Obligations through the date of termination, payable in a lump sum within 15 days.
- (ii) Full payment of the 2019 Bonus under Section 4.B.(ii).
- (iii) Pro-rated payment of all Bonuses in Section 4.B.(iii) and 4.B.(iv).

(iv) All restrictions on any restricted stock or restricted stock unit awards made to the Executive by the Company, the Parent or its affiliates shall lapse such that Executive is fully and immediately vested in such awards upon such termination of employment; any stock options or stock appreciation rights granted to Executive pursuant to the Company's, the Parent's or its affiliate's equity-based incentive plan(s) shall become fully and immediately vested upon such termination of employment; and any performance shares, performance units or similar performance-based equity awards granted to Executive pursuant to the Company's, the Parent's or its affiliate's equity-based incentive plan(s) shall be deemed earned on a pro-rated basis according to the portion of the performance period that has elapsed through the date of the termination of employment as if all performance requirements had been satisfied at the target level (or such higher level as would have been achieved if performance through the date of the termination of employment had continued through the end of the performance period). All such grants are awarded to and subject to the Equity Compensation Plan applicable to the grant as adopted by the Board and amended from time to time.

F. Compensation following a Change of Control.

(i) Notwithstanding any other provision of this Agreement, if a Change of Control occurs prior to the end of the Term, this Agreement shall be extended automatically for a one-year renewal period beginning on the date of the Change of Control (a "Post-Change of Control Renewal Period"). Following a Change of Control, the Executive's annual base salary shall not be decreased and, during the Post-Change of Control Renewal Period, the Executive's base salary shall be increased on an annual basis by an amount at least equal to the average base salary increase, expressed as a percentage, provided to executives of the Company or the Parent of comparable status and position to the Executive. On and after a Change of Control, the Executive shall be included: (a) to the extent eligible thereunder (which eligibility shall not be conditioned on Executive's salary grade or on any other requirement which excludes persons of comparable status to Executive unless such exclusion was in effect for such plan or an equivalent plan immediately prior to the Change of Control), in any and all plans providing benefits for the Company's or the Parent's salaried Executives in general (including but not limited to group life insurance, hospitalization, medical, dental, and long-term disability plans) and (b) in plans provided to executives of the Company or the Parent of comparable status and position to Executive (including but not limited to deferred compensation, split-dollar life insurance, supplemental retirement, stock option, stock appreciation, stock bonus, cash bonus and similar or comparable plans); provided that in no event shall the aggregate level of benefits under the plans described in clause (a) and the plans described in clause (b), respectively, in which Executive is included be less than the aggregate level of benefits under plans of the Company or the Parent of the type referred to in such clause, respectively, in which Executive was participating immediately prior to the Change of Control.

(ii) If Executive's employment is terminated during the Post-Change of Control Renewal Period, the Company shall pay the Executive a one-time, lump-sum severance payment equal to one hundred fifty percent (150%) of the Executive's Base Salary in effect at the time of such termination ("Change of Control Severance Payment"). The Change of Control Severance Payment shall be paid to the Executive in cash equivalent on the date that is sixty (60) days after the date of termination of the Executive's employment; provided that, to the extent required to comply with Section 409A of the Code, all or a portion of the Change of Control Severance Payment shall be delayed until the first day of the seventh (7th) month following the month in which the termination of the Executive's employment occurs, without interest thereon.

(iii) In addition, should the Company terminate Executive's employment during the Post-Change of Control Renewal Period, all restrictions on any restricted stock or restricted stock unit awards made to the Executive by the Company, the Parent or its affiliates shall lapse such that Executive is fully and immediately vested in such awards upon such termination of employment; any stock options or stock appreciation rights granted to Executive pursuant to the Company's, the Parent's or its affiliate's equity-based incentive plan(s) shall become fully and immediately vested upon such termination of employment; and any performance shares, performance units or similar performance-based equity awards granted to Executive pursuant to the Company's, the Parent's or its affiliate's equity-based incentive plan(s) shall be deemed earned on a pro-rated basis according to the portion of the performance period that has elapsed through the date of the termination of employment as if all performance requirements had been satisfied at the target level (or such higher level as would have been achieved if performance through the date of the termination of employment had continued through the end of the performance period).

G . Resignations from Other Positions. Upon any termination of Executive's employment, and as a condition to Executive receiving any benefits under 8.C, 8.D, 8.E, or 8.F(ii) and (iii) (the "**Severance Benefits**") under this Agreement, if so requested by a majority of the Board, Executive will immediately resign (1) as a director of the Parent and any of its subsidiaries, (2) from all officer or other positions of the Parent and Company, and (3) from all fiduciary positions (including as trustee) Executive then holds with respect to any employee benefit plans or trusts established, maintained or sponsored by the Parent, the Company, or by any of their Affiliates. Failure by Executive to resign immediately from all positions described in the immediately preceding sentence shall result in automatic forfeiture of any and all rights to the Severance Benefits.

H . Options Upon Termination. Except as otherwise provided in Section 8, upon termination of Executive's employment for any reason and subject to the terms of the Company's Stock Plan, as it may be amended from time to time, including by reason of Executive's death or permanent disability, any portion of any options held by the Executive that are not then vested will immediately be forfeited and expire for no consideration and the remainder of such options will remain exercisable pursuant to the terms of the Company's Stock Plan (with the understanding that any options that are intended to be "incentive stock options" under the Code shall thereupon be disqualified from such treatment); provided, that any portion of the options held by Executive immediately prior to Executive's death, to the extent then exercisable, will remain exercisable pursuant to the terms of the Company's Stock Plan following Executive's death; and provided, further, that in no event shall any portion of the options be exercisable after the Final Exercise Date.

I . Release. Notwithstanding anything contained herein, Executive's right to receive (or retain) the Severance Benefits other than the Accrued Obligations through the date of termination, is conditioned on and subject to Executive's execution within twenty-one (21) days (or, to the extent required by applicable law, forty-five (45) days) following the termination date and non-revocation within seven (7) days thereafter of a general release of claims and potential claims against Parent and all of its subsidiaries, and their respective officers, directors, shareholders, insurers, employees, and agents in a form provided by the Company.

9. Section 409A of the Code.

A. General. This Agreement shall be interpreted and applied in all circumstances in a manner that is consistent with the intent of the parties that, to the extent applicable, amounts earned and payable pursuant to this Agreement shall constitute short-term deferrals exempt from the application of Section 409A of the Code and, if not exempt, that amounts earned and payable pursuant to this Agreement shall not be subject to the premature income recognition or adverse tax provisions of Section 409A of the Code.

B. Separation from Service. References in this Agreement to "termination" of Executive's employment, "resignation" by Executive from employment and similar terms shall, with respect to such events that will result in payments of compensation or benefits, mean for such purposes a "separation from service" as defined under Section 409A of the Code.

C. Specified Executive. In the event any one or more amounts payable under this Agreement constitute a "deferral of compensation" and become payable on account of the "separation from service" (as determined pursuant to Section 409A of the Code) of Executive and if as such date Executive is a "specified employee" (as determined pursuant to Section 409A of the Code), such amounts shall not be paid to Executive before the earlier of (i) the first day of the seventh calendar month beginning after the date of Executive's "separation from service" or (ii) the date of Executive's death following such "separation from service." Where there is more than one such amount, each shall be considered a separate payment and all such amounts that would otherwise be payable prior to the date specified in the preceding sentence shall be accumulated (without interest) and paid together on the date specified in the preceding sentence.

D. Separate Payments. For purposes of Section 409A of the Code, each payment or amount due under this Agreement shall be considered a separate payment, and Executive's entitlement to a series of payments under this Agreement is to be treated as an entitlement to a series of separate payments.

E. Reimbursements. Any reimbursement to which Executive is entitled pursuant to this Agreement that would constitute nonqualified deferred compensation subject to Section 409A of the Code shall be subject to the following additional rules: (i) no reimbursement of any such expense shall affect Executive's right to reimbursement of any other such expense in any other taxable year; (ii) reimbursement of the expense shall be made, if at all, not later than the end of the calendar year following the calendar year in which the expense was incurred; (iii) the right to reimbursement shall not be subject to liquidation or exchange for any other benefit; and (iv) the right to reimbursement of expenses incurred kind shall terminate one year after the end of the Employment Period.

10. **Section 280G of the Code**. Notwithstanding anything to the contrary contained herein (or any other agreement entered into by and between Executive and the Company or any incentive arrangement or plan offered by the Parent or Company), in the event that any amount or benefit paid or distributed to Executive pursuant to this Agreement, taken together with any amounts or benefits otherwise paid to Executive by the Parent or Company (collectively, the "**Covered Payments**"), would constitute an "excess parachute payment" as defined in Section 280G of the Code, and would thereby subject Executive to an excise tax under Section 4999 of the Code (an "**Excise Tax**"), the provisions of this Section 10 shall apply. If the aggregate present value (as determined for purposes of Section 280G of the Code) of the Covered Payments exceeds the amount which can be paid to Executive without Executive incurring an Excise Tax, then the amounts payable to Executive under this Agreement (or any other agreement by and between Executive, the Parent, and/or the Company or pursuant to any incentive arrangement or plan offered by the Parent or Company) shall be reduced (but not below zero) to the maximum amount which may be paid hereunder without Executive becoming subject to the Excise Tax (such reduced payments to be referred to as the "**Payment Cap**"). In the event Executive receives reduced payments and benefits as a result of application of this Section 10, Executive shall have the right to designate which of the payments and benefits otherwise set forth herein (or any other agreement between the Parent, the Company and/or Executive or any incentive arrangement or plan offered by the Parent or Company) shall be received in connection with the application of the Payment Cap, subject to the following sentence. Reduction shall first be made from payments and benefits which are determined not to be nonqualified deferred compensation for purposes of Section 409A of the Code, and then shall be made (to the extent necessary) out of payments and benefits that are subject to Section 409A of the Code and that are due at the latest future date.

11. **No Guarantee of Tax Consequences.** The Board, the Compensation Committee, the Parent, the Company and their Affiliates, officers and employees make no commitment or guarantee to Executive that any federal, state, local or other tax treatment will apply or be available to Executive or any other person eligible for compensation or benefits under this Agreement and assume no liability whatsoever for the tax consequences to Executive or to any other person eligible for compensation or benefits under this Agreement.

12. **Controlling Law, Jurisdiction and Venue.** This Agreement and all questions related to its validity, interpretation, performance, and enforcement shall be governed by the laws of the state of South Carolina, notwithstanding any conflict-of-interest provisions to the contrary. Executive agrees that any and all claims arising out of or relating to this Agreement or Executive's employment by the Company shall be resolved by binding arbitration. Arbitration shall occur in Charleston, South Carolina. Arbitration shall proceed pursuant to the rules of the American Arbitration Association except where this agreement conflicts with those rules. In case of conflict, the terms of this agreement shall govern. A mutually agreeable neutral arbitrator shall be selected by the parties from a list provided by the local office of the American Arbitration Association in the Charleston, South Carolina region. The arbitration proceedings and opinion shall be confidential. The arbitration hearing shall occur within 120 days of the date it is filed. Notwithstanding anything in the rules of the American Arbitration Association, the parties shall be allowed to engage in discovery according to the following rules: each party shall serve all interrogatories and requests for documents within 30 days of filing the arbitration. Each party shall be limited to 20 interrogatories and 10 document requests. Discovery shall be fully responded to within 30 days of receipt. The parties may each take 3 depositions including the deposition of an opposing party. No other discovery shall be allowed except upon written motion to the arbitrator. The arbitrator shall issue a written opinion including findings of fact and conclusions of law within thirty days of the conclusion of the arbitration hearing. The arbitrator may award any relief, legal or equitable, to either party available under law or which may be awarded by a court of competent jurisdiction where the arbitration takes place *provided, however* that the arbitrator shall not be empowered to award punitive or consequential damages. The parties hereby expressly waive their right to recover punitive and consequential damages in such a proceeding. The parties shall have the rights to appeal or seek confirmation or modification of such a decision that are set forth in the Federal Arbitration Act. This arbitration agreement and any arbitration shall be governed by the Federal Arbitration Act to the exclusion of state law inconsistent therewith. The parties shall share equally the administrative fees and arbitrator's fees and expenses unless a contrary provision of law governs. All other costs and expenses associated with the arbitration, including, without limitation, each party's respective attorney's fees, shall be borne by the party incurring the expense.

13. **Noncompetition, non-disclosure requirements.** During the Restricted Period (defined below), the Executive shall not, directly or indirectly (whether by himself or through an affiliate, in partnership or conjunction with, or as an employee, officer, director, manager, member, owner, consultant or agent of, any other person) own, manage, operate, control, consult with, be employed by, participate in the ownership, management, operation or control of, or otherwise render services to or engage in, any business within the United States engaged in or competitive with the businesses conducted by the Company, the Parent, or their affiliates (including without limitation providing workers compensation insurance to any franchisee of the Company, the Parent, or an affiliated); provided, that a Principal's ownership of securities of 2% or less of any publicly traded class of securities of a public company shall not violate this Section; provided further, that, for the sake of clarity, Hire Quest Financial, LLC ("HQF") shall not be restricted from making loans to any current or future franchisee of the Company, the Parent, or any of their affiliates, or engaging in activities related thereto, but, with respect to franchisees not affiliated with the Executive, solely to the extent HQF has first offered to the Company and Parent a right of first refusal to make any such loan. For purposes of this Agreement, the Restricted Period shall be defined as the period of such Executive's employment with the Company, the Parent, or any of its affiliates and ending on the later of (x) one year following such Executive's termination with the Company, the Parent, or its affiliates and (y) the second anniversary of the Effective Date.

14. **Entire Agreement; Severability.** This Agreement and the agreements referenced herein contain the entire agreement of the parties relating to the subject matter hereof, and supersede in their entirety any and all prior agreements, understandings or representations relating to the subject matter hereof. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The provisions of this Agreement shall be deemed severable and, if any provision is found to be illegal, invalid or unenforceable for any reason, (a) the provision will be amended automatically to the minimum extent necessary to cure the illegality or invalidity and permit enforcement and (b) the illegality, invalidity or unenforceability will not affect the legality, validity or enforceability of the other provisions hereof.

15. **Amendment; Committee Authority.** This Agreement may be amended, supplemented, or modified only by a written instrument duly executed by or on behalf of each party hereto. All determinations and other actions required or permitted hereunder to be made by or on behalf of the Parent, the Company, or the Board may be made by either the Board (excluding Executive therefrom) or the Compensation Committee (or any other committee subsequently granted authority by the Board); provided that the actions of the Compensation Committee (or any other committee subsequently granted authority by the Board) shall be subject to the authority then vested in such committee by the Board, it being understood and agreed that as of the date of this Agreement the Compensation Committee has full authority, concurrent with the Board, to administer this Agreement; and provided, further, that a decision or action by the Compensation Committee (or any other committee subsequently granted authority by the Board) hereunder shall be subject to review or modification by the Board if the Board so chooses.

16. **Waiver.** The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by either party in exercising any right, power, or privilege under this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

17. **No Violation.** Executive represents and warrants that the execution and delivery of this Agreement and the performance of Executive's services contemplated hereby will not violate or result in a breach by Executive of, or constitute a default under, or conflict with: (i) any provision or restriction of any employment, consulting, or other similar agreement; (ii) any agreement by Executive with any third party not to compete with, solicit from, or otherwise disparage such third party; (iii) any provision or restriction of any agreement, contract, or instrument to which Executive is a party or by which Executive is bound; or (iv) any order, judgment, award, decree, law, rule, ordinance, or regulation or any other restriction of any kind or character to which Executive is subject or by which Executive is bound.

18. **Assignment.** Notwithstanding anything else herein, this Agreement is personal to Executive and neither this Agreement nor any rights hereunder may be assigned by Executive. The Company or Parent may assign this Agreement to an affiliate or to any acquirer of all or substantially all of the business and/or assets of the Company or the Parent, in which case the term "Company" or "Parent," as the case may be, will mean such affiliate or acquirer. This Agreement will inure to the benefit of and be binding upon the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, legatees and permitted assignees of the parties.

19. **Counterparts, Facsimile.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. To the maximum extent permitted by applicable law, this Agreement may be executed via facsimile.

20. **Notices.** Any notice required to be given under this Agreement shall be deemed sufficient, if in writing, and sent by certified mail, return receipt requested, via overnight courier, or hand delivered to the Company or the Parent at 111 Springhall Drive, Goose Creek, SC 29445, Attn: Chairman of the Compensation Committee and General Counsel, and to Executive at the most recent address reflected in the Company's employment records.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the Effective Date.

PARENT:

HIREQUEST, INC., a Delaware corporation

By: /s/ John D. McAnnar
Name: John D. McAnnar
Title: Secretary and General Counsel

COMPANY:

HQ LTS CORPORATION, a Delaware corporation

By: /s/ John D. McAnnar
Name: John D. McAnnar
Title: Secretary and General Counsel

EXECUTIVE:

RICHARD F. HERMANN, an individual

By: /s/ Richard F. Hermanns
Richard F. Hermanns, an individual

ADDENDUM TO EMPLOYMENT AGREEMENT

Executive Stock Purchase Matching Program. The Parent shall match 20% of the purchases of common stock of the Parent that the Executive makes during the time period commencing on the Effective Date and ending upon the Executive's termination from employment with the Parent and Company ("Stock Purchase Matching Period"). For purposes of this section, a purchase shall not include stock received by the Executive as compensation. This program shall be subject to the following terms and conditions:

- (a) The shares of common stock issued by the Parent pursuant to this Section shall be Restricted Shares granted under the Equity Incentive Plan (the "Matching Restricted Stock") and shall not vest until the second anniversary of the date on which the Executive purchased the common stock that triggered the matching obligation (a "Triggering Purchase").
- (b) If such anniversary occurs during a Parent blackout period under the Parent's Insider Trading Policy, the Matching Restricted Stock shall vest on the first day immediately following the end of the blackout period.
- (c) The Matching Restricted Stock shall only vest if the Executive is employed by the Parent and Company on such vesting date and owns at least the same number of shares of Parent common stock that were matched at the time of the Triggering Purchase.
- (d) The number of shares of Matching Restricted Stock that the Parent shall issue to the Executive pursuant to this Section shall not exceed \$25,000 in value in the aggregate within any one-year period.
- (e) The Board may accommodate exceptions to these provisions in its discretion to account for special or unforeseen circumstances.

HIREQUEST, INC.

By: /s/ John D. McAnnar
John D. McAnnar
Secretary

RICHARD HERMANN

By: /s/ Richard Hermanns
Richard Hermanns

HQ LTS CORPORATION

By: /s/ John D. McAnnar
John D. McAnnar
Secretary

EMPLOYMENT AGREEMENT

This Employment Agreement (this "**Agreement**"), is dated as of September 1, 2019 (the "**Effective Date**"), by and among **HQ LTS Corporation**, a Delaware corporation (the "**Company**"), **HireQuest, Inc.**, a Delaware corporation (the "**Parent**") and **John D. McAnnar**, an individual ("**Executive**").

WHEREAS, the Company is wholly-owned by the Parent; and

WHEREAS, the Executive desires to be employed by the Company on the terms and conditions set forth herein; and

WHEREAS, in connection therewith, the Company, the Parent, and Executive desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

PART ONE – DEFINITIONS

Definitions. For purposes of this Agreement, the following definitions will be in effect:

"Affiliates" means all persons and entities directly or indirectly controlling, controlled by or under common control with the entity specified, where control may be by management authority, contract or equity interest.

"Board" means the Board of Directors of the Parent or the Compensation Committee thereof (or any other committee subsequently granted authority by the Board), subject to Section 14 below.

"Change of Control" means a change in the ownership or control of the Parent effected through any of the following transactions: (i) a merger, consolidation or reorganization approved by the Parent's stockholders, unless securities representing more than fifty percent (50%) of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the persons who beneficially owned the Parent's outstanding voting securities immediately prior to such transaction, (ii) any stockholder-approved sale, transfer or other disposition of all or substantially all of the Parent's assets, or (iii) the acquisition, directly or indirectly, by any person or related group of persons (other than the Parent or a person that directly or indirectly controls, is controlled by or is under common control with, the Parent) of beneficial ownership (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) of securities possessing more than fifty percent (50%) of the total combined voting power of the Parent's outstanding securities pursuant to a tender or exchange offer made directly to the Parent's stockholders. Notwithstanding the foregoing, however, in any circumstance or transaction in which compensation payable pursuant to this Agreement would be subject to the tax under Section 409A of the Code if the foregoing definition of "Change of Control" were to apply, but would not be so subject if the term "Change of Control" were defined herein to mean a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5), then "Change of Control" means, but only to the extent necessary to prevent such compensation from becoming subject to the tax under Section 409A of the Code, a transaction or circumstance that satisfies the requirements of both (1) a Change of Control under the applicable clauses (i) through (iv) above, and (2) a "change in control event" within the meaning of Treasury Regulation Section § 1.409A-3(i)(5).

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury regulations and administrative guidance promulgated thereunder.

"**Company**" means, unless the context otherwise requires, HQ LTS Corporation, a Delaware corporation.

"**Compensation Committee**" means the Compensation Committee of the Board.

"**Employment Period**" means the Term and all subsequent Terms.

"**Good Reason**" shall mean the occurrence of any of the following without Executive's consent: (i) a material reduction of Executive's duties or responsibilities, relative to Executive's duties or responsibilities as in effect immediately prior to such reduction; (ii) a reduction of more than ten percent (10%) in Executive's Base Salary as in effect immediately prior to such reduction; (iii) a reduction of more than ten percent (10%) by the Company in the kind or level of employee benefits, including bonuses, for which Executive was eligible (although amounts actually earned will vary) immediately prior to such reduction, with the result that Executive's overall benefits package is materially reduced; (iv) the relocation of Executive to a facility or a location more than twenty-five (25) miles from his current office in Goose Creek, South Carolina; provided, however, that a reduction that is generally applicable to all executives of the Company shall not constitute "Good Reason" under clauses (ii) and (iii) hereof. A termination of employment by Executive shall not be deemed to be for Good Reason unless (A) Executive gives the Company written notice describing the event or events which are the basis for such termination within 60 days after the event or events occur, (B) such grounds for termination (if susceptible to correction) are not corrected by the Company within 30 days of the Company's receipt of such notice (the "**Correction Period**"), and (C) Executive terminates Executive's employment no later than 30 days following the Correction Period.

"**Termination for Cause**" shall mean the Company's termination of Executive's employment for any of the following reasons: (i) Executive's commission of any act of fraud, embezzlement or dishonesty, (ii) the arrest or conviction of Executive, or the entry of a plea of nolo contendere by Executive, for a felony; (iii) Executive's unauthorized use or disclosure of any confidential information or trade secrets of the Company, (iv) the disclosing or using of any material Confidential Information (as hereinafter defined) of Company at any time by Executive, except as required in connection with his duties to Company, (v) Executive's violation of a published Company policy which stipulates the Executive may be terminated by the Company for cause; or (vi) Executive's continued failure, in the reasonable good faith determination of the Board (excluding Executive therefrom), to perform the major duties, functions and responsibilities of Executive's position after written notice from the Company identifying the deficiencies in Executive's performance and a reasonable cure period of not less than thirty (30) days.

PART TWO - TERMS AND CONDITIONS OF EMPLOYMENT

The following terms and conditions will govern Executive's employment with the Company throughout the Employment Period and will also, to the extent expressly indicated below, remain in effect following Executive's cessation of employment with the Company.

1. **Employment and Duties.** During the Employment Period, Executive will serve as the General Counsel, Corporate Secretary, and Vice President of HireQuest, Inc. and of HQ LTS Corporation and will report to the Chief Executive Officer of Parent. Executive will have such duties and responsibilities as are commensurate with such positions and such other duties and responsibilities commensurate with such position (including with the Parent's subsidiaries) as are from time to time assigned to Executive by the Chief Executive Officer. During the Employment Period, Executive will devote his full business time, energy and skill to the performance of his duties and responsibilities hereunder, provided the foregoing will not prevent Executive from (a) serving as a non-executive director on the board of directors of non-profit organizations and other companies, (b) participating in charitable, civic, educational, professional, community or industry affairs, (c) managing his and his family's personal investments, including in an advisory capacity related to current or potential investments, or (d) such other activities approved by the Board from time to time; provided, that such activities individually or in the aggregate do not interfere or conflict with Executive's duties and responsibilities hereunder, violate applicable law, or create a potential business or fiduciary conflict.

2. **Term.** The term of this Agreement shall run for a period from the Effective Date through August 31, 2021 (such period, the "**Term**"), and may be terminated earlier as contemplated by Section 7.A. Termination of this Agreement due to its non-renewal shall not constitute a Termination for Cause or a resignation by Executive for Good Reason.

3. **Compensation; Additional Incentives.**

A. **Base Salary.** Executive's base salary (the "**Base Salary**") will be paid at the rate of \$15,833.33 monthly (\$190,000.00 annualized) during the Term. Executive's Base Salary may be increased by the Compensation Committee and/or Board in their sole discretion, but shall not be decreased without Executive's consent. Executive's Base Salary will be paid at periodic intervals in accordance with the Company's normal payroll practices for salaried employees. Executive will be eligible to participate in a non-qualified retirement plan set up by the Company with an employee match at least equivalent to that provided by the Company to any Company employees entitled to participate in any Company 401(k) plan.

B. **Bonus Opportunities.**

(i) **Discretionary Bonus.** With respect to each fiscal year beginning with the fiscal year ending December 31, 2019, the Compensation Committee shall have sole discretion to award a discretionary bonus to the Executive.

(ii) **2019 Bonus.** For fiscal year ending December 31, 2019, the Company shall pay to Executive a one-time bonus of \$25,000.00 in addition to any Discretionary Bonus. Executive will have the option to accept this bonus in a single lump-sum cash payment or by being issued an amount of registered non-restricted common stock with equivalent value.

(iii) *Performance Bonus.* Beginning with the fiscal year ending December 31, 2020, Company shall pay to Executive a bonus according to the Company Senior Executive Bonus Plan (the "**Performance Bonus**"). Subject to final approval by the Compensation Committee, Executive shall receive the Performance Bonus between 0% and 50% of his Base Salary upon achieving the various tiered goals set forth in the Company Senior Executive Performance Bonus Plan.

(iv) *Short-Term Deferral.* Any bonus payable pursuant to Sections 3.B.(i) – 3.(B).(iii) shall be paid to the Employee within a reasonable time, but in no event later than 60 calendar days, after the last day of the applicable fiscal year to which the bonus relates.

C. The Company may deduct and withhold, from the compensation payable and benefits provided to Executive hereunder, any and all applicable federal, state, local and other taxes and any other amounts required to be deducted or withheld by the Company under applicable statute or regulation.

D. To the extent that any compensation paid or payable pursuant to this Agreement is considered "incentive-based compensation" within the meaning and subject to the requirements of Section 10D of the Exchange Act, such compensation shall be subject to potential forfeiture or recovery by the Company in accordance with any compensation recovery policy adopted by the Board or any committee thereof in response to the requirements of Section 10D of the Exchange Act and any implementing rules and regulations thereunder adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's common stock is then listed. This Agreement may be unilaterally amended by the Company to comply with any such compensation recovery policy.

4. Equity Compensation.

A. Upon execution of this Agreement, Executive shall be granted and issued 25,000 restricted shares of Parent common stock pursuant to the Command Center, Inc. 2016 Stock Incentive Plan, or any successor plan, subject to the terms and conditions of the plan, which shall vest and become unrestricted according to the following schedule: 50% on the second anniversary of the Effective Date of this Agreement, and 6.25% per fiscal quarter for each of the first eight fiscal quarters occurring thereafter, *provided, however*, that this vesting schedule is subject to vesting upon termination of Executive's employment as set forth in Section 7.

5. Expense Reimbursement; Fringe Benefits; Paid Time Off (PTO).

A. Executive will be entitled to reimbursement from the Company for customary, ordinary and necessary business expenses incurred by Executive in the performance of Executive's duties hereunder, provided that Executive's entitlement to such reimbursements shall be conditioned upon Executive's provision to the Company of vouchers, receipts and other substantiation of such expenses in accordance with Company policies.

B. Company will pay for dues and fees required for any professional licenses maintained by Executive, membership in professional or industry associations, continuing education requirements associated with any professional license and conferences and seminars commonly attended by executives in similar companies.

C. During the Employment Period, Executive will be eligible to participate in any group life insurance plan, group medical and/or dental insurance plan, accidental death and dismemberment plan, short-term disability program and other employee benefit plans, including profit sharing plans, cafeteria benefit programs and stock purchase and option plans, which are made available to executives of the Company and for which Executive qualifies under the terms of such plan or plans.

D. Executive shall be entitled to paid vacation pursuant to the Company's policies in the same amount as is available to other employees of the Company with equivalent tenure giving credit to Executive for years of employment by Hire Quest, LLC, and their affiliated entities.

6. Executive Covenants.

A. Covenants. During the 30 days following the termination of the Employment Period, Executive will take all actions the Parent or Company may reasonably request to maintain the Parent's or Company's business, goodwill and business relationships and to assist with transition matters, all at Company expense. In addition, upon the receipt of notice from the Parent or Company (including outside counsel), during the Employment Period and thereafter, Executive will respond and provide information with regard to matters in which he has knowledge as a result of his employment with the Company, and will provide assistance to the Parent or Company and its representatives in the defense or prosecution of any claims that may be made by or against the Parent or Company, to the extent that such claims may relate to the period of Executive's employment with the Company, all at Company expense. During the Employment Period and thereafter, Executive shall promptly inform the Parent and Company if he becomes aware of any lawsuits involving such claims that may be filed or threatened against the Parent or Company. During the Employment Period and thereafter, Executive shall also promptly inform the Parent and Company (to the extent he is legally permitted to do so) if he is asked to assist in any investigation of the Parent or Company (or its actions), regardless of whether a lawsuit or other proceeding has then been filed against the Parent or Company with respect to such investigation, and will not do so unless legally required. The Company will pay Executive at a rate of \$350.00 per hour, plus reasonable expenses, in connection with any actions requested by the Parent or Company under this paragraph following any termination of Executive's employment, with such amounts being paid to Executive at periodic intervals in accordance with the Company's normal payroll practices for salaried employees. Executive's obligations under this paragraph shall be subject to the Parent's and Company's reasonable cooperation in scheduling in light of Executive's other obligations. Executive will seek and obtain Board approval prior to committing Company, Parent, or any of their Affiliates to any material transaction involving any party which is an Affiliate or related party (as that term is defined by the SEC and relevant securities laws) of Executive.

B. Survival of Provisions. The obligations contained in this Section 7 will survive the termination of Executive's employment with the Company and will be fully enforceable thereafter.

7. Termination of Employment.

A. General. Subject to Sections 7.D and 7.F, Executive's employment with the Company is "at-will" and may be terminated at any time by either Executive or the Company for any reason (or no reason) in accordance with this Agreement, which will also result in the Term ending, by the party seeking to terminate Executive's employment providing 60-days written notice of such termination to the other party. The 60-day notice shall not be required in the final 60 days of the Term. If the Company intends to renew Executive's agreement, the Company shall employ reasonable best efforts to engage the Executive in negotiations 90 days prior the final day of the Term.

B. Death and Permanent Disability. Upon the death or permanent disability of the Executive during the Term, the employment relationship created pursuant to this Agreement will immediately terminate, the Term will end, and amounts will only be payable under this Agreement as specified in this Section 7.B. Should Executive's employment with the Company terminate by reason of Executive's death or permanent disability during the Employment Period, Executive, or Executive's estate, shall be entitled to receive:

(i) the unpaid Base Salary earned by Executive pursuant to Section 3.A for services rendered through the date of Executive's death or permanent disability, as applicable, payable in accordance with the Company's normal payroll practices for terminated salaried employees plus all of Executive's accrued paid time off or vacation;

(ii) an amount equal to the Base Salary the Executive would have earned in the 60 day period following Executive's death or permanent disability, assuming said death or disability had not occurred;

(iii) reimbursement of all expenses for which Executive is entitled to be reimbursed pursuant to Section 6, payable in accordance with the Company's normal reimbursement practices;

(iv) the right to continue health care benefits under the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended, at Executive's cost, to the extent required and available by law and subject to the Company continuing to maintain a group health plan;

(v) any accrued but unpaid Bonus pursuant to Section 3.B, payable at such time as provided in Section 3.B;

(vi) pro-rata vesting of the restricted stock award set forth in Section 4.A calculated as if the restricted stock had vested and become unrestricted on a monthly basis. By way of example, if Executive becomes permanently disabled one year after the execution of this Agreement, 25% of his restricted stock shall immediately vest and become unrestricted. By way of further example, if Executive becomes permanently disabled two years and two months after the execution of this Agreement, 54.17% of his restricted stock shall immediately vest and become unrestricted (2.083% vesting per month x 26 months).

(vii) the limited death, disability, and/or income continuation benefits provided under Section 5.C, if any, will be payable in accordance with the terms of the plans pursuant to which such limited death or disability benefits are provided.

Compensation and benefits provided pursuant to Section 7.B.(i) through 7.B.(vi) are collectively referred to as the "**Accrued Obligations.**"

If Executive's death occurs before payment of any earned Bonus set forth in section 3.B.(i) – 3.B.(iii) of this Agreement, the applicable payments will be made to the Executive's estate. For purposes of this Agreement, Executive will be deemed "permanently disabled" if Executive is so characterized pursuant to the terms of the Company's disability policies or programs applicable to Executive from time to time, or if no such policy is applicable, if the Compensation Committee determines, in its reasonable discretion, that Executive is unable to perform the essential functions of Executive's duties for physical or mental reasons for ninety (90) days in any twelve-month period.

C. Termination for Cause; Resignation without Good Reason. The Company may at any time during the Employment Period, upon written notice summarizing with reasonable specificity the basis for the Termination for Cause, terminate Executive's employment hereunder for any act qualifying as a Termination for Cause. Such termination will be effective immediately upon such notice. Upon any Termination for Cause (or employee's resignation other than for Good Reason), Executive shall be solely entitled to receive:

(i) the unpaid Base Salary and Bonuses earned by Executive pursuant to Section 3 for services rendered through the date of termination, payable in accordance with the Company's normal payroll practices for terminated salaried employees plus all of Executive's accrued paid time off or vacation;

(ii) reimbursement of all expenses for which Executive is entitled to be reimbursed pursuant to Section 5, payable in accordance with the Company's normal reimbursement practices; and

(iii) the right to continue health care benefits under the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended, at Executive's cost, to the extent required and available by law and subject to the Company continuing to maintain a group health plan.

D. Involuntary Termination Without Cause by the Company; Resignation by Executive for Good Reason. The Company shall be entitled to terminate Executive with 60-days' notice, other than a Termination for Cause, and Executive shall be entitled to resign with or without Good Reason, in each case at any time. The 60-day notice shall not be required in the final 60 days of the Term. If the Company intends to renew Executive's agreement, the Company shall employ reasonable best efforts to engage the Executive in negotiations 90 days prior the final day of the Term. If Executive (1) is terminated by the Company other than in circumstances constituting a Termination for Cause, or (2) resigns for Good Reason, then Executive shall be solely entitled to receive:

(i) The Accrued Obligations through the date of termination, payable in a lump sum within 15 days;

(ii) An amount equal to Executive's Base Salary for a period equal to one month for every year of total employment by the Company or any affiliate, including without limitation, Hire Quest LTS, LLC and Hire Quest, LLC, up to a maximum of six (6) months. By way of example, if Executive has worked for the Company or an affiliate for five years at the time of involuntary termination, he would be entitled to five-months' pay;

(iii) Full payment of the 2019 Bonus;

(iv) Pro-rated payment of the Performance Bonus in Sections 3.B(iii).

(v) Pro-rata vesting of the restricted stock award set forth in Section 4.A calculated as if the restricted stock had vested and become unrestricted on a monthly basis. By way of example, if Executive is terminated without good cause or resigns for good reason one year after the execution of this Agreement, 25% of his restricted stock shall immediately vest and become unrestricted. By way of further example, if Executive is terminated without good cause or resigns for good reason two years and two months after the execution of this Agreement, 54.17% of his restricted stock shall immediately vest and become unrestricted (2.083% vesting per month x 26 months).

(vi) For purposes of clarity, a termination of Executive's employment due to Executive's death or to Executive's permanent disability shall not be considered either a termination by the Company without cause or a resignation by Executive for Good Reason, and such termination shall not entitle Executive (or his heirs or representatives) to any compensation or benefits pursuant to this Section 7.D.

E. Termination by Non-Renewal. In the event the company fails to renew Executive's employment before the expiration of this Agreement (" **Non-Renewal**"), Executive shall be entitled to receive:

(i) The Accrued Obligations through the date of termination, payable in a lump sum within 15 days.

(ii) Full payment of the 2019 Bonus.

(iii) Pro-rated payment of the Performance Bonus in Sections 4.B(iii).

(iv) 50% of the restricted stock awarded in Section 4.A shall immediately vest and become non-restricted.

F. Compensation following a Change of Control.

(i) Notwithstanding any other provision of this Agreement, if a Change of Control occurs prior to the end of the Term, this Agreement shall be extended automatically for a one-year renewal period beginning on the date of the Change of Control (a "Post-Change of Control Renewal Period"). Following a Change of Control, the Executive's annual base salary shall not be decreased and, during the Post-Change of Control Renewal Period, the Executive's base salary shall be increased on an annual basis by an amount at least equal to the average base salary increase, expressed as a percentage, provided to executives of the Company or the Parent of comparable status and position to the Executive. On and after a Change of Control, the Executive shall be included: (a) to the extent eligible thereunder (which eligibility shall not be conditioned on Executive's salary grade or on any other requirement which excludes persons of comparable status to Executive unless such exclusion was in effect for such plan or an equivalent plan immediately prior to the Change of Control), in any and all plans providing benefits for the Company's or the Parent's salaried Executives in general (including but not limited to group life insurance, hospitalization, medical, dental, and long-term disability plans) and (b) in plans provided to executives of the Company or the Parent of comparable status and position to Executive (including but not limited to deferred compensation, split-dollar life insurance, supplemental retirement, stock option, stock appreciation, stock bonus, cash bonus and similar or comparable plans); provided that in no event shall the aggregate level of benefits under the plans described in clause (a) and the plans described in clause (b), respectively, in which Executive is included be less than the aggregate level of benefits under plans of the Company or the Parent of the type referred to in such clause, respectively, in which Executive was participating immediately prior to the Change of Control.

(ii) If Executive's employment is terminated during the Post-Change of Control Renewal Period, the Company shall pay the Executive a one-time, lump-sum severance payment equal to one hundred fifty percent (150%) of the Executive's Base Salary in effect at the time of such termination ("Change of Control Severance Payment"). The Change of Control Severance Payment shall be paid to the Executive in cash equivalent on the date that is sixty (60) days after the date of termination of the Executive's employment; provided that, to the extent required to comply with Section 409A of the Code, all or a portion of the Change of Control Severance Payment shall be delayed until the first day of the seventh (7th) month following the month in which the termination of the Executive's employment occurs, without interest thereon.

(iii) In addition, should the Company terminate Executive's employment during the Post-Change of Control Renewal Period, all restrictions on any restricted stock or restricted stock unit awards made to the Executive by the Company, the Parent or its affiliates shall lapse such that Executive is fully and immediately vested in such awards upon such termination of employment; any stock options or stock appreciation rights granted to Executive pursuant to the Company's, the Parent's or its affiliate's equity-based incentive plan(s) shall become fully and immediately vested upon such termination of employment; and any performance shares, performance units or similar performance-based equity awards granted to Executive pursuant to the Company's, the Parent's or its affiliate's equity-based incentive plan(s) shall be deemed earned on a pro rated basis according to the portion of the performance period that has elapsed through the date of the termination of employment as if all performance requirements had been satisfied at the target level (or such higher level as would have been achieved if performance through the date of the termination of employment had continued through the end of the performance period).

G . Resignations from Other Positions. Upon any termination of Executive's employment, and as a condition to Executive receiving any benefits under 7.C, 7.D, 7.E, or 7.F(ii) and (iii) (the "**Severance Benefits**") under this Agreement, if so requested by a majority of the Board, Executive will immediately resign (1) as a director of the Parent and any of its subsidiaries, (2) from all officer or other positions of the Parent and Company, and (3) from all fiduciary positions (including as trustee) Executive then holds with respect to any employee benefit plans or trusts established, maintained or sponsored by the Parent, the Company, or by any of their Affiliates. Failure by Executive to resign immediately from all positions described in the immediately preceding sentence shall result in automatic forfeiture of any and all rights to the Severance Benefits.

H . Options Upon Termination. Except as otherwise provided in Section 7, upon termination of Executive's employment for any reason and subject to the terms of the Company's Stock Plan, as it may be amended from time to time, including by reason of Executive's death or permanent disability, any portion of any options held by the Executive that are not then vested will immediately be forfeited and expire for no consideration and the remainder of such options will remain exercisable pursuant to the terms of the Company's Stock Plan (with the understanding that any options that are intended to be "incentive stock options" under the Code shall thereupon be disqualified from such treatment); provided, that any portion of the options held by Executive immediately prior to Executive's death, to the extent then exercisable, will remain exercisable pursuant to the terms of the Company's following Executive's death; and provided, further, that in no event shall any portion of the options be exercisable after the Final Exercise Date.

I . Release. Notwithstanding anything contained herein, Executive's right to receive (or retain) the Severance Benefits other than the Accrued Obligations through the date of termination, is conditioned on and subject to Executive's execution within twenty-one (21) days (or, to the extent required by applicable law, forty-five (45) days) following the termination date and non-revocation within seven (7) days thereafter of a general release of claims and potential claims against Parent and all of its subsidiaries, and their respective officers, directors, shareholders, insurers, employees, and agents in a form provided by the Company.

8. Section 409A of the Code.

A. General. This Agreement shall be interpreted and applied in all circumstances in a manner that is consistent with the intent of the parties that, to the extent applicable, amounts earned and payable pursuant to this Agreement shall constitute short-term deferrals exempt from the application of Section 409A of the Code and, if not exempt, that amounts earned and payable pursuant to this Agreement shall not be subject to the premature income recognition or adverse tax provisions of Section 409A of the Code.

B. Separation from Service. References in this Agreement to "termination" of Executive's employment, "resignation" by Executive from employment and similar terms shall, with respect to such events that will result in payments of compensation or benefits, mean for such purposes a "separation from service" as defined under Section 409A of the Code.

C. Specified Executive. In the event any one or more amounts payable under this Agreement constitute a "deferral of compensation" and become payable on account of the "separation from service" (as determined pursuant to Section 409A of the Code) of Executive and if as such date Executive is a "specified employee" (as determined pursuant to Section 409A of the Code), such amounts shall not be paid to Executive before the earlier of (i) the first day of the seventh calendar month beginning after the date of Executive's "separation from service" or (ii) the date of Executive's death following such "separation from service." Where there is more than one such amount, each shall be considered a separate payment and all such amounts that would otherwise be payable prior to the date specified in the preceding sentence shall be accumulated (without interest) and paid together on the date specified in the preceding sentence.

D. Separate Payments. For purposes of Section 409A of the Code, each payment or amount due under this Agreement shall be considered a separate payment, and Executive's entitlement to a series of payments under this Agreement is to be treated as an entitlement to a series of separate payments.

E. Reimbursements. Any reimbursement to which Executive is entitled pursuant to this Agreement that would constitute nonqualified deferred compensation subject to Section 409A of the Code shall be subject to the following additional rules: (i) no reimbursement of any such expense shall affect Executive's right to reimbursement of any other such expense in any other taxable year; (ii) reimbursement of the expense shall be made, if at all, not later than the end of the calendar year following the calendar year in which the expense was incurred; (iii) the right to reimbursement shall not be subject to liquidation or exchange for any other benefit; and (iv) the right to reimbursement of expenses incurred kind shall terminate one year after the end of the Employment Period.

9. **Section 280G of the Code**. Notwithstanding anything to the contrary contained herein (or any other agreement entered into by and between Executive and the Company or any incentive arrangement or plan offered by the Parent or Company), in the event that any amount or benefit paid or distributed to Executive pursuant to this Agreement, taken together with any amounts or benefits otherwise paid to Executive by the Parent or Company (collectively, the "**Covered Payments**"), would constitute an "excess parachute payment" as defined in Section 280G of the Code, and would thereby subject Executive to an excise tax under Section 4999 of the Code (an "**Excise Tax**"), the provisions of this Section 10 shall apply. If the aggregate present value (as determined for purposes of Section 280G of the Code) of the Covered Payments exceeds the amount which can be paid to Executive without Executive incurring an Excise Tax, then the amounts payable to Executive under this Agreement (or any other agreement by and between Executive, the Parent, and/or the Company or pursuant to any incentive arrangement or plan offered by the Parent or Company) shall be reduced (but not below zero) to the maximum amount which may be paid hereunder without Executive becoming subject to the Excise Tax (such reduced payments to be referred to as the "**Payment Cap**"). In the event Executive receives reduced payments and benefits as a result of application of this Section 10, Executive shall have the right to designate which of the payments and benefits otherwise set forth herein (or any other agreement between the Parent, the Company and/or Executive or any incentive arrangement or plan offered by the Parent or Company) shall be received in connection with the application of the Payment Cap, subject to the following sentence. Reduction shall first be made from payments and benefits which are determined not to be nonqualified deferred compensation for purposes of Section 409A of the Code, and then shall be made (to the extent necessary) out of payments and benefits that are subject to Section 409A of the Code and that are due at the latest future date.

10. **No Guarantee of Tax Consequences**. The Board, the Compensation Committee, the Parent, the Company and their Affiliates, officers and employees make no commitment or guarantee to Executive that any federal, state, local or other tax treatment will apply or be available to Executive or any other person eligible for compensation or benefits under this Agreement and assume no liability whatsoever for the tax consequences to Executive or to any other person eligible for compensation or benefits under this Agreement.

11. **Controlling Law, Jurisdiction and Venue.** This Agreement and all questions related to its validity, interpretation, performance, and enforcement shall be governed by the laws of the state of South Carolina, notwithstanding any conflict-of-interest provisions to the contrary. Executive agrees that any and all claims arising out of or relating to this Agreement or Executive's employment by the Company shall be resolved by binding arbitration. Arbitration shall occur in Charleston, South Carolina. Arbitration shall proceed pursuant to the rules of the American Arbitration Association except where this agreement conflicts with those rules. In case of conflict, the terms of this agreement shall govern. A mutually agreeable neutral arbitrator shall be selected by the parties from a list provided by the local office of the American Arbitration Association in the Charleston, South Carolina region. The arbitration proceedings and opinion shall be confidential. The arbitration hearing shall occur within 120 days of the date it is filed. Notwithstanding anything in the rules of the American Arbitration Association, the parties shall be allowed to engage in discovery according to the following rules: each party shall serve all interrogatories and requests for documents within 30 days of filing the arbitration. Each party shall be limited to 20 interrogatories and 10 document requests. Discovery shall be fully responded to within 30 days of receipt. The parties may each take 3 depositions including the deposition of an opposing party. No other discovery shall be allowed except upon written motion to the arbitrator. The arbitrator shall issue a written opinion including findings of fact and conclusions of law within thirty days of the conclusion of the arbitration hearing. The arbitrator may award any relief, legal or equitable, to either party available under law or which may be awarded by a court of competent jurisdiction where the arbitration takes place *provided, however* that the arbitrator shall not be empowered to award punitive or consequential damages. The parties hereby expressly waive their right to recover punitive and consequential damages in such a proceeding. The parties shall have the rights to appeal or seek confirmation or modification of such a decision that are set forth in the Federal Arbitration Act. This arbitration agreement and any arbitration shall be governed by the Federal Arbitration Act to the exclusion of state law inconsistent therewith. The parties shall share equally the administrative fees and arbitrator's fees and expenses unless a contrary provision of law governs. All other costs and expenses associated with the arbitration, including, without limitation, each party's respective attorney's fees, shall be borne by the party incurring the expense.

12. **Noncompetition, non-disclosure requirements.** During the Restricted Period (defined below), the Executive shall not, directly or indirectly (whether by himself or through an affiliate, in partnership or conjunction with, or as an employee, officer, director, manager, member, owner, consultant or agent of, any other person) own, manage, operate, control, consult with, be employed by, participate in the ownership, management, operation or control of, or otherwise render services to or engage in, any business within the United States engaged in or competitive with the businesses conducted by the Company, the Parent, or their affiliates (including without limitation providing workers compensation insurance to any franchisee of the Company, the Parent, or an affiliated); provided, that a Principal's ownership of securities of 2% or less of any publicly traded class of securities of a public company shall not violate this Section. For purposes of this Agreement, the Restricted Period shall be defined as the period of such Executive's employment with the Company, the Parent, or any of its affiliates and ending on the later of (x) one year following such Executive's termination with the Company, the Parent, or its affiliates and (y) the second anniversary of the Effective Date.

13. Entire Agreement; Severability. This Agreement and the agreements referenced herein contain the entire agreement of the parties relating to the subject matter hereof, and supersede in their entirety any and all prior agreements, understandings or representations relating to the subject matter hereof. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The provisions of this Agreement shall be deemed severable and, if any provision is found to be illegal, invalid or unenforceable for any reason, (a) the provision will be amended automatically to the minimum extent necessary to cure the illegality or invalidity and permit enforcement and (b) the illegality, invalidity or unenforceability will not affect the legality, validity or enforceability of the other provisions hereof.

14. Amendment; Committee Authority. This Agreement may be amended, supplemented, or modified only by a written instrument duly executed by or on behalf of each party hereto. All determinations and other actions required or permitted hereunder to be made by or on behalf of the Parent, the Company, or the Board may be made by either the Board (excluding Executive therefrom) or the Compensation Committee (or any other committee subsequently granted authority by the Board); provided that the actions of the Compensation Committee (or any other committee subsequently granted authority by the Board) shall be subject to the authority then vested in such committee by the Board, it being understood and agreed that as of the date of this Agreement the Compensation Committee has full authority, concurrent with the Board, to administer this Agreement; and provided, further, that a decision or action by the Compensation Committee (or any other committee subsequently granted authority by the Board) hereunder shall be subject to review or modification by the Board if the Board so chooses.

15. Waiver. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by either party in exercising any right, power, or privilege under this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

16. No Violation. Executive represents and warrants that the execution and delivery of this Agreement and the performance of Executive's services contemplated hereby will not violate or result in a breach by Executive of, or constitute a default under, or conflict with: (i) any provision or restriction of any employment, consulting, or other similar agreement; (ii) any agreement by Executive with any third party not to compete with, solicit from, or otherwise disparage such third party; (iii) any provision or restriction of any agreement, contract, or instrument to which Executive is a party or by which Executive is bound; or (iv) any order, judgment, award, decree, law, rule, ordinance, or regulation or any other restriction of any kind or character to which Executive is subject or by which Executive is bound.

17. **Assignment.** Notwithstanding anything else herein, this Agreement is personal to Executive and neither this Agreement nor any rights hereunder may be assigned by Executive. The Company or Parent may assign this Agreement to an affiliate or to any acquirer of all or substantially all of the business and/or assets of the Company or the Parent, in which case the term "Company" or "Parent," as the case may be, will mean such affiliate or acquirer. This Agreement will inure to the benefit of and be binding upon the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, legatees and permitted assignees of the parties.

18. **Counterparts, Facsimile.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. To the maximum extent permitted by applicable law, this Agreement may be executed via facsimile.

19. **Notices.** Any notice required to be given under this Agreement shall be deemed sufficient, if in writing, and sent by certified mail, return receipt requested, via overnight courier, or hand delivered to the Company or the Parent at 111 Springhall Drive, Goose Creek, SC 29445, Attn: Chairman of the Compensation Committee and General Counsel, and to Executive at the most recent address reflected in the Company's employment records.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the Effective Date.

PARENT:

HIREQUEST, INC., a Delaware corporation

By: /s/ Richard F. Hermanns
Name: Richard F. Hermanns
Title: President and CEO

COMPANY:

HQ LTS CORPORATION, a Delaware corporation

By: /s/ Richard F. Hermanns
Name: Richard F. Hermanns
Title: President and CEO

EXECUTIVE:

JOHN D. MCANNAR, an individual

By: /s/ John D. McAnnar
John D. McAnnar, an individual

ADDENDUM TO EMPLOYMENT AGREEMENT

Executive Stock Purchase Matching Program. The Parent shall match 20% of the purchases of common stock of the Parent that the Executive makes during the time period commencing on the Effective Date and ending upon the Executive's termination from employment with the Parent and Company ("Stock Purchase Matching Period"). For purposes of this section, a purchase shall not include stock received by the Executive as compensation. This program shall be subject to the following terms and conditions:

- (a) The shares of common stock issued by the Parent pursuant to this Section shall be Restricted Shares granted under the Equity Incentive Plan (the "Matching Restricted Stock") and shall not vest until the second anniversary of the date on which the Executive purchased the common stock that triggered the matching obligation (a "Triggering Purchase").
- (b) If such anniversary occurs during a Parent blackout period under the Parent's Insider Trading Policy, the Matching Restricted Stock shall vest on the first day immediately following the end of the blackout period.
- (c) The Matching Restricted Stock shall only vest if the Executive is employed by the Parent and Company on such vesting date and owns at least the same number of shares of Parent common stock that were matched at the time of the Triggering Purchase.
- (d) The number of shares of Matching Restricted Stock that the Parent shall issue to the Executive pursuant to this Section shall not exceed \$25,000 in value in the aggregate within any one-year period.
- (e) The Board may accommodate exceptions to these provisions in its discretion to account for special or unforeseen circumstances.

HIREQUEST, INC.

JOHN D. MCANNAR

By: /s/ Richard Hermanns
Richard Hermanns
President, CEO

By: /s/ John D. McAnnar
John D. McAnnar

HQ LTS CORPORATION

By: /s/ Richard Hermanns
Richard Hermanns
CEO

ADDENDUM TO EMPLOYMENT AGREEMENT

Executive Stock Purchase Matching Program. HireQuest, Inc. formerly known as Command Center, Inc. (the "Company") shall match 20% of the purchases of common stock of the Company that the Executive makes during the time period commencing on September 25, 2019 and ending upon the Executive's termination from employment with the Company ("Stock Purchase Matching Period"). For purposes of this section, a purchase shall not include stock received by the Executive as compensation. This program shall be subject to the following terms and conditions:

- (a) The shares of common stock issued by the Company pursuant to this Section shall be Restricted Shares granted under the Equity Incentive Plan (the "Matching Restricted Stock") and shall not vest until the second anniversary of the date on which the Executive purchased the common stock that triggered the matching obligation (a "Triggering Purchase").
- (b) If such anniversary occurs during a Company blackout period under the Company's Insider Trading Policy, the Matching Restricted Stock shall vest on the first day immediately following the end of the blackout period.
- (c) The Matching Restricted Stock shall only vest if the Executive is employed by the Company or a subsidiary on such vesting date and owns at least the same number of shares of Parent common stock that were matched at the time of the Triggering Purchase.
- (d) The number of shares of Matching Restricted Stock that the Company shall issue to the Executive pursuant to this Section shall not exceed \$25,000 in value in the aggregate within any one-year period.
- (e) The Board may accommodate exceptions to these provisions in its discretion to account for special or unforeseen circumstances.

HIREQUEST, INC.

By: /s/ John D. McAnnar
John D. McAnnar
Secretary

CORY SMITH

By: /s/ Cory Smith
Cory Smith

HQ LTS CORPORATION

By: /s/ John D. McAnnar
John D. McAnnar
Secretary



Investor Presentation
September 2019

Safe Harbor Statement

This presentation includes, and our officers and representatives may from time to time make, certain estimates and other forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, including, among others, statements with respect to the Company's future revenues, including opportunities to expand revenues without compromising margins, earnings, strategies, including with respect to future acquisitions and conversion to franchises, our plans to expand geographically and increase national accounts, prospects, capital outlays, consequences and all other statements that are not purely historical and that may constitute statements of future expectation. While we believe these statements are accurate, forward-looking statements are not historical facts and are inherently uncertain. We cannot assure you that these expectations will occur, and our actual results may be significantly different. Factors that may cause actual results to differ materially from those contemplated in any forward-looking statements made by us are sometimes presented within the forward-looking statements themselves or are otherwise discussed in filings we make with the United States Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K for the year ended December 28, 2018 and 10-Q for the quarter ended June 28, 2019 and available on our website: <http://www.hirequestllc.com>. Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. The Company disclaims any obligation to update or revise any forward-looking statement, whether written or oral, that may be made from time to time, based on the occurrence of future events, the receipt of new information, or otherwise, except as required by law.

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Nasdaq: HQI

Who We Are

- ▶ Nationwide franchisor of on-demand labor solutions in the light industrial and blue collar segment of the staffing industry
- ▶ Profitable franchise-centric model
- ▶ Created by a merger of HireQuest and Command Center in July 2019
- ▶ 140+ franchised and corporately-owned field offices in 30 states and the District of Columbia
- ▶ Provider of annual employment for ~86,000 field team members working for thousands of clients
- ▶ Serving customers such as construction, recycling, warehousing/logistics, auctioneers, manufacturing, hospitality, landscaping and retail

2Q19 Trailing 12 Months
Net Income¹

\$7.3M

2Q19 Trailing 12 Months
EBITDA²

\$8.0M

Net Income Margin

~4%

Branches

140+

Client Partnerships

6,000+

Market Capitalization

~\$91M

- 1) Combined basis - unaudited historical data for HireQuest and Command Center. Not necessarily indicative of what revenues would have been had the merger occurred at the beginning of the period shown.
- 2) See Appendix for reconciliation of non-GAAP financial measures to GAAP.

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Strategic Merger Creates Meaningful Scale

All-stock transaction valued at ~\$26.7 million was completed in July 2019 to combine business operations of HireQuest and Command Center

	HireQuest (Private)	Command Center (Public)
2018 System Wide Revenue	\$189.3M	\$97.4M
2018 Revenue	\$13.0M	\$97.4M
2018 Operating Income	\$7.2M	\$1.2M
# of Locations	93 franchised branches	67 corporately-owned branches
States	20	22

Combined Entity: HireQuest

- ✓ Created immediate scale...140+ field offices in 30 states and D.C.
- ✓ Proven model to transition corporately-owned branch to franchise model
- ✓ Limited areas of geographic overlap
- ✓ Capitalizes on economies of scale
- ✓ Brings proven HQ management team to troubled CCNI situation
- ✓ Post-integration: profitable and generating cash

Nasdaq: HQT

Value Proposition



Nasdaq: HQI

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Value Creation: Converting from Branch Model to Franchise Model

Facilitating the purchase of branch office businesses by franchisees enables recovery of a majority of our investment and incrementally adds to our three revenue streams

- ▶ Acquisition of branch offices includes intangible assets (customer relationships and related customer lists)
- ▶ Branch offices are sold to franchisees at a price that approximates our investment to acquire the branch office
- ▶ We gain incremental revenue in the form of our three primary revenue streams:
 - ▶ Royalty
 - ▶ Interest income
 - ▶ Workers' compensation
- ▶ Sale of branch business to a franchisee is seller-financed

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Well-Positioned for Growth

1 Integration of Command Center	<ul style="list-style-type: none">✓ Convert branches to franchise model (expected to be completed by the end of Q3 2019)✓ On-going rationalization of the footprint of the new combined entity✓ Leverage scale to attract new customers
2 Increase National Accounts	<ul style="list-style-type: none">✓ Scale combined with unique royalty business model are expected to drive profitable growth in National Accounts✓ Revenue-driven royalty model insulates shareholders from impact of lower, more volatile margins inherent in traditional, margin-driven national accounts model✓ Strategic relationship with Dock Square established for the introduction of prospective customers and relationships
3 Add New Franchises and Expand Geographically	<ul style="list-style-type: none">✓ Ability to attract new franchisees through attractive returns and valuable services✓ Expand into new, un-served markets (e.g. Upper Midwest)
4 Acquisitions	<ul style="list-style-type: none">✓ Utilize acquisitions to take advantage of the largely fragmented on-demand labor industry✓ Near immediate return through conversion to franchise model✓ Opportunity for acquisitions to enter ancillary businesses

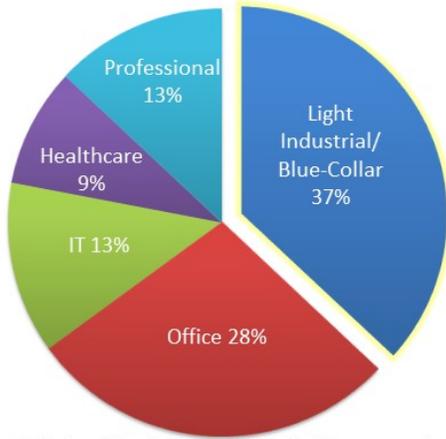
Nasdaq: HQI

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Market Overview

Targeting the largest segment of \$128B staffing market... **light industrial / blue collar**

U.S. Staffing Market by Segment



Source: American Staffing Association – 2016 National Staffing Statistics – measured by sales.
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Industry Trends

- Demand for day labor remains strong
- Business bolstered by declining unemployment rates
- Employers are looking for alternatives to combat increasing costs and administrative burdens
- Changing worker attitudes have increased the availability of temporary workers

Attractive Industry Dynamics

On-demand labor offers employers:

- ▶ **Immediate** reaction and flexibility to changing staffing needs
- ▶ **Lower costs** associated with recruitment, interviewing, and employment obligations
- ▶ **Elimination** of unemployment and workers' compensation exposure
- ▶ **Relief** from administrative and compliance burdens imposed by the ACA and other employment laws
- ▶ **Access** to a large, diversified pool of experienced temporary staff members
- ▶ **On-the-job screening** for possible permanent workers



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Attractive Branch Locations

Our more than 140 franchised and corporately-owned field offices are located in healthy job markets across 30 states and the District of Columbia



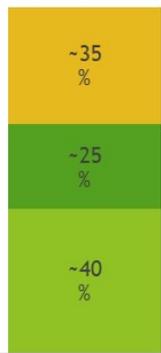
- ▶ Strong concentration of branches in established and emerging regions
- ▶ Regional branch concentrations allow for greater local brand recognition and ease of oversight
- ▶ Facilitates “hands-on” interaction with customers and employees
- ▶ Local market opportunities and trends are more readily identified
- ▶ Centralized admin functions drive higher margins

Expect to convert all branches to franchise model by the end of Q3 of 2019

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Compelling Revenue Model

Illustrative Revenue by Source



Workers' Compensation Insurance Premiums

- Premiums earned for deductible reimbursement
- Deductible reimbursement up to \$500k
- Claims over \$500k covered by Chubb

Royalties and interest income are typically approximately 4% of franchise system revenues

Interest Income

- Interest from Franchisees for the following activities:
 - Financing for start-up operations
 - Financing for receivables overdue by 42 days

Franchise Royalties

- Royalty from Franchisees for back-office support services including:
 - Business, financial, marketing and operational support services
 - National account sales
 - Software
 - Administrative services and technical support

Hypothetical Single Branch



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1) Assumes accounts receivable turnover of 7 weeks and a 70% advance rate against receivables due to accruals and payables.

Branch-level Economics

Our unique approach to franchise model creates a strong barrier to entry and enables potentially higher operating margins at the branch level

Illustrative Revenue Model
(Operating margin as a % of revenue)



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- ▶ HireQuest's branch-level operating margins are typically 150 to 350 basis points higher than our competitors due to our unique approach to...
 - ▶ Working capital financing
 - ▶ Management of workers' compensation risk
- ▶ Working capital needs, including initial office openings, are financed and backed at the corporate level with Accounts Receivable, an inexpensive source of capital for branch owners
- ▶ Risk management incentive program at the corporate level lowers the cost of workers' compensation for branches

Post-Merger: Near-term Strategic Objectives

- ▶ Convert branches to franchise model by the end of Q3 2019
 - ▶ Approximately 50% of the Command Center branches were converted to the franchise model in July
 - ▶ Remaining are awaiting state regulatory approval which is expected in Q3 of 2019
- ▶ On-going rationalization of the footprint of the new combined entity
- ▶ Expanding into new, un-served markets
 - ▶ Upper Midwest
- ▶ Exit California marketplace
 - ▶ Sold four CA locations for \$1.8 million
 - ▶ Providing seller financing, receiving a four year note @ 10% interest per annum

Enterprise Value

\$ in millions, except price per share

	Unaudited
Stock price (as of 8/25/2019)	\$6.96
Shares outstanding ²	13,071,846
Equity Market Cap	\$91.0
Plus: Debt ¹	\$6.6
Less: Cash ¹	\$0.7
Enterprise Value ³	\$96.9

¹ as of August 27, 2019

² Excludes an additional 150,488 shares related to a stock register correction and issuance post-merger. See the Company's current report on Form 8-K filed on September 13, 2019 for details. Also excludes 250,000 restricted shares granted to directors and employees on September 23, 2019 as compensation. See the Company's current report on Form 8-K filed September 26, 2019 for details.

³ Non-GAAP financial measure.

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Statements of Income

	2018		2017		2016	
	HQ	CCNI	HQ	CCNI	HQ	CCNI
System Wide Revenue	\$189,328,950	\$97,388,820	\$168,262,854	\$98,072,198	\$147,460,775	\$93,259,508
Total Revenue	\$12,965,711	\$97,388,820	\$11,277,700	\$98,072,198	\$10,354,542	\$93,259,508
Total Cost of Revenue	\$629,449	\$72,450,295	\$501,953	\$72,641,609	\$1,008,121	\$69,580,410
Gross Profit	\$12,336,262	\$24,938,525	\$10,775,747	\$25,430,589	\$9,346,421	\$23,679,098
Total Operating Expenses	\$5,383,702	\$23,433,198	\$7,921,001	\$21,347,681	\$4,003,503	\$22,276,476
Total Operating Income	\$6,952,559	\$1,505,327	\$2,854,746	\$4,082,908	\$5,342,918	\$1,402,622
Total Other Income	\$276,931	-	\$67,675	-	\$1,021,506	-
Interest Expense	\$19,697	\$2,116	\$297	\$11,619	\$2,660	\$25,018
Depreciation & Amortization	\$92,608	\$323,852	\$85,279	\$386,413	\$74,968	\$298,300
Pre-tax Income	\$7,117,185	\$1,179,359	\$2,836,845	\$3,684,876	\$6,286,796	\$1,079,304

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Balance Sheets

	6/28/2019	
	HQ	CCNI
Cash		\$7,015,251
Accounts Receivable - Trade		\$10,230,897
Total Current Assets		\$17,959,572
Net Property and Equipment		\$284,960
Total Assets		\$25,045,465
Due to Affiliates		-
Due to Franchisees		-
Notes Payable, current portion		\$526,142
Total Current Liabilities		\$4,944,298
Total Long-Term Liabilities		\$1,600,108
Equity		\$18,501,059
Total Liabilities & Equity		\$25,045,465

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	2018	
	HQ	CCNI
Cash	\$1,291,317	\$8,003,710
Accounts Receivable - Trade	\$20,725,170	\$9,041,361
Total Current Assets	\$22,311,672	\$17,638,198
Net Property and Equipment	\$2,045,881	\$1,079,908
Total Assets	\$24,365,887	\$23,432,245
Due to Affiliates	\$7,740,083	-
Due to Franchisees	\$620,385	-
Notes Payable/Debt Facility, current portion	\$0	\$398,894
Total Current Liabilities	\$10,865,489	\$3,662,323
Total Long-Term Liabilities	\$767,509	\$878,455
Equity	\$12,732,889	\$18,891,467
Total Liabilities & Equity	\$24,365,887	\$23,432,245

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Leadership

Rick Hermanns, President and CEO

Mr. Hermanns was appointed CEO effective July 15, 2019. Mr. Hermanns has nearly thirty years of experience in the temporary staffing industry. He has served as Chief Executive Officer and Secretary of Hire Quest, LLC since the Company's founding in 2002. He served in the same capacities for predecessor entities since July 1991. He is also Chairman of the Board of Directors and President of HireQuest Insurance Company and has been since its founding in 2010. He has been Chief Executive Officer of Hire Quest Financial, LLC since its founding in 2006. Together with Edward Jackson, Mr. Hermanns owns a majority stake in Bass Underwriters, Inc., a large managing general insurance agent. Prior to founding Hire Quest and its related entities, Mr. Hermanns served as Chief Financial Officer of Outsource International, and as an Assistant Vice President for NCNB National Bank (now Bank of America). Mr. Hermanns obtained his Bachelor of Science degree in Economics and Finance from Barry University, and his Masters of Business Administration in Finance from the University of Southern California. Mr. Hermanns is also active in the charitable realm. Among his charitable pursuits, he founded the Higher Quest Foundation, a non-profit organization dedicated to fighting global hunger in a more sustainable way.

Cory Smith, CFO

Mr. Smith was appointed CFO effective July 22, 2017. He brings over 14 years of financial and accounting experience to the position, seven of which were earned working at Command Center. He was previously employed by Command Center from 2010 through 2015, serving as the company's controller during the final two years of his tenure. Most recently, he was employed by Southeast Staffing from 2015 through 2017, where he served as the Vice President of Finance. From 2005 to 2010, Mr. Smith worked as a Certified Public Accountant, primarily performing attestation work. Mr. Smith received his Bachelor of Science in Business Administration from Lewis-Clark State College.

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Leadership

John McAnnar, Executive Vice President & General Counsel

Mr. McAnnar previously served as General Counsel and Vice President of Administration for Hire Quest, LLC beginning in 2014. In that capacity, he managed a broad range of legal affairs in the employment, construction, insurance and finance, workers' compensation, intellectual property, and other realms. He previously served in the litigation departments of Carmody MacDonald, P.C. and Armstrong Teasdale, LLP where he focused on complex commercial litigation, corporate, and employment law. Mr. McAnnar is an adjunct professor at the Charleston School of Law. He co-founded ArchCity Defenders, Inc., a non-profit organization in St. Louis, Missouri, that led the push for change in Missouri's municipal court system following the Ferguson unrest. For this work, John has received awards including the National Legal Aid & Defenders Association New Leaders in Advocacy Award. He has previously served on St. Louis Mayor Francis Slay's Vanguard Cabinet and was a Commissioner on the St. Louis Development Disability Resource Commission, a body that oversaw several million dollars of taxpayer funds. John graduated *magna cum laude* from the St. Louis University School of Law, where he was inducted into the Alpha Sigma Nu Jesuit Honor Society and the Order of the Woolsack. He graduated *cum laude* from the University of Pittsburgh.

David Gerstner, Vice President of Operations

Mr. Gerstner was appointed Vice President of Operations effective July 15, 2019. Mr. Gerstner has nearly 25 years of experience in the temporary staffing industry. He started his career as a branch manager in 1995 with Ameri-Temps in Atlanta, Ga. In 1997, Ready Staffing purchased Ameri-Temps, and Mr. Gerstner was promoted to Regional Manager of Florida. In 2002, Able Body Labor acquired Ready Staffing, and Mr. Gerstner assumed the role of Regional Manager. In 2007, Mr. Gerstner accepted the role of Director of Operations and relocated to Tampa, Florida. Mr. Gerstner took on the role of Vice President of Operations in 2010 when MDT Personnel acquired Able Body Labor. Mr. Gerstner remained in the same role in 2013 when True Blue purchased MDT Personnel. Mr. Gerstner served in the United States Army as a Military Police Officer. He currently resides in Tampa, Florida with his wife and two kids and actively serves his community as a youth coach for football and basketball.

Jarrett Lindon, Vice President of National Accounts

Mr. Lindon was appointed Director of National Accounts effective July 15th, 2019. For more than 20 years, he has worked in various roles with HireQuest. In February 1999, he started his staffing career as a Branch Manager in Charlotte, NC. Two years later, he purchased his first franchised branch in Charlotte, NC and over the next seven years would go on to purchase additional offices in Lexington, KY, Charleston, SC and Greenville, SC. In September of 2009, he sold his existing franchises back to HireQuest, became a minority shareholder and accepted the role of Vice President of Operations. Mr. Lindon received his Bachelor of Science degree in Health and Wellness from The Citadel in Charleston, SC.

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Investor Highlights

Attractive Business Model

- ✓ Franchise operating model: Reduced risk and potentially greater profitability
- ✓ Centralized support
- ✓ Limited capital investment needed for corporate operations

Strong Competitive Advantages

- ✓ Experienced management team
- ✓ Quality workers' compensation insurance program
- ✓ Access to liquidity at competitive rates
- ✓ Management of credit exposure
- ✓ Meaningful scale to take advantage of the fragmented on-demand labor industry
- ✓ Customized industry software

Valuable Enterprise

- ✓ Franchisees: Provide franchisees the necessary resources to circumvent the biggest two barriers to entering the staffing industry: financing and workers' compensation
- ✓ Customers: Trusted name with the expertise to meet a company's staffing needs with qualified candidates at a moments notice
- ✓ Candidates: Have numerous programs to attract, motivate, reward and retain top-performing candidates
- ✓ Shareholders: Able to generate a strong unlevered ROI with the ability to generate returns via acquisitions

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Contact Us

HireQuest, Inc.

Cory Smith, CFO
111 Springhall Drive
Goose Creek, SC 80235
Tel (866) 464-5844

Hayden IR

Investor Relations
Brett Maas, Managing Director
Tel (646) 536-7331
brett@haydenir.com

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Appendix

Board of Directors

Name	Relevant Experience
Richard Hermanns <i>Chairman</i>	<ul style="list-style-type: none"> • Founder of HireQuest • Nearly 30 years of experience in the staffing industry. • Former CFO of Outsource International.
JD Smith <i>Director</i>	<ul style="list-style-type: none"> • Since 1982, worked in real estate investment, construction and development. • In 1990, formed his first operating company to buy and maintain residential rental properties. • Currently owner of Real Estate Investment Consultants, LLC. • Serves on board of directors of iMedicor, a publicly-held New York-based company.
Edward Jackson <i>Director</i>	<ul style="list-style-type: none"> • Seasoned insurance executive with over 35 years of experience in the industry. • Currently the President of Bass Underwriters, Inc. • Previously a member and consultant of HireQuest, LLC.
Lawrence Hagenbuch <i>Director, Audit Committee Chairman</i>	<ul style="list-style-type: none"> • Currently the COO and CFO for J. Hilburn, Inc., a custom clothier for men. • Served on board of directors and audit and compensation committees of publicly traded Remy International from 2008 until its sale in 2015. • Currently serves on the board of directors of Arotech Corp., a Nasdaq-listed company.
Payne Browne <i>Director</i>	<ul style="list-style-type: none"> • Currently the President of THINK 450. • Former managing partner of Econet Media Partners. • Served on numerous boards, including the Philadelphia Urban League, Project Home, and the Board of Advisors for the Philadelphia chapter for the National Association for Multi-Ethnicity in Communications.
Kathleen Shanahan <i>Director</i>	<ul style="list-style-type: none"> • Currently the Co-CEO of Turtle & Hughes, Inc., a multi-national electrical distribution company. • Currently serves as the Chairman of Ground Works Solutions, formerly URETEK Holdings, Inc. • Previously served as Chief of Staff for Florida Governor Jeb Bush as well as Chief of Staff for Vice President-elect Dick Cheney.
R. Rimmy Malhotra <i>Director</i>	<ul style="list-style-type: none"> • Partner of The Nicoya Fund, a value-based hedge fund focused on companies undergoing inflections. • Former co-founder of GoalMine, a pioneer of making investing products simple for the mass market.

Nasdaq: HQL

Reconciliation of Non-GAAP Financial Measure

Net Income to EBITDA	For the Trailing Twelve Months (TTM) ended June 28, 2019
Net Income	\$7,299,435
Interest	433,434
Taxes	124,028
Depreciation & Amortization	<u>110,109</u>
EBITDA	<u>\$7,967,006</u>

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