

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2023

OR

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

Commission File Number 1-05707

GEE GROUP INC.

(Exact name of registrant as specified in its charter)

Illinois

(State or other jurisdiction
of incorporation or organization)

36-6097429

(I.R.S. Employer
Identification Number)

7751 Belfort Parkway, Suite 150, Jacksonville, FL 32256

(Address of principal executive offices)

(630) 954-0400

(Registrant's telephone number, including area code)

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

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, no par value	JOB	NYSE American

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated Filer

Accelerated filer
Smaller reporting company
Emerging growth company

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

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

The number of shares outstanding of the registrant's common stock as of May 12, 2023 was 14,450,455.

GEE GROUP INC.
Form 10-Q
For the Quarter Ended March 31, 2023
INDEX

<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	3
--	---

PART I. FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Financial Statements (unaudited)</u>	4
	<u>Condensed Consolidated Balance Sheets</u>	4
	<u>Condensed Consolidated Statements of Operations</u>	5
	<u>Condensed Consolidated Statements of Shareholders' Equity</u>	6
	<u>Condensed Consolidated Statements of Cash Flows</u>	7
	<u>Notes to Condensed Consolidated Financial Statements</u>	8
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	16
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	24
<u>Item 4.</u>	<u>Controls and Procedures</u>	24

PART II. OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>	25
<u>Item 1A.</u>	<u>Risk Factors</u>	25
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	25
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	25
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	25
<u>Item 5.</u>	<u>Other Information</u>	25
<u>Item 6.</u>	<u>Exhibits</u>	26
	<u>Signatures</u>	27

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

As a matter of policy, the Company does not provide forecasts of future financial performance. The statements made in this quarterly report on Form 10-Q, which are not historical facts, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements often contain or are prefaced by words such as "believe", "will" and "expect." These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. As a result of a number of factors, our actual results could differ materially from those set forth in the forward-looking statements. Certain factors that might cause the Company's actual results to differ materially from those in the forward-looking statements include, without limitation, general business conditions, lingering effects of the Coronavirus Pandemic ("COVID-19"), including uncertainties regarding economic recovery and changed socioeconomic norms, the demand for the Company's services, competitive market pressures, the ability of the Company to attract and retain qualified personnel for regular full-time placement and contract assignments, the possibility of incurring liability for the Company's business activities, including the activities of its contract employees and events affecting its contract employees on client premises, cyber risks, including network security intrusions and/or loss of information, and the ability to attract and retain qualified corporate and branch management, as well as those risks discussed in the Company's Annual Report on Form 10-K for the year ended September 30, 2022, and in other documents which we file with the Securities and Exchange Commission. Any forward-looking statements speak only as of the date on which they are made, and the Company is under no obligation to (and expressly disclaims any such obligation to) and does not intend to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

Part I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (unaudited)

**GEE GROUP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)**
(Amounts in thousands)

	March 31, 2023	September 30, 2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 20,099	\$ 18,848
Accounts receivable, less allowances (\$702 and \$738, respectively)	20,431	22,770
Prepaid expenses and other current assets	757	604
Total current assets	41,287	42,222
Property and equipment, net	1,025	1,140
Goodwill	61,293	61,293
Intangible assets, net	9,846	11,285
Right-of-use assets	3,979	2,830
Other long-term assets	679	784
TOTAL ASSETS	\$ 118,109	\$ 119,554
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 3,373	\$ 2,958
Accrued compensation	5,580	5,750
Current operating lease liabilities	1,461	1,333
Other current liabilities	945	5,538
Total current liabilities	11,359	15,579
Deferred taxes	617	528
Noncurrent operating lease liabilities	2,867	1,889
Other long-term liabilities	451	555
Total liabilities	15,294	18,551
Commitments and contingencies (Note 12)		
SHAREHOLDERS' EQUITY		
Common stock, no-par value; authorized - 200,000 shares; issued and outstanding - 114,450 shares at March 31, 2023 and September 30, 2022	112,551	112,051
Accumulated deficit	(9,736)	(11,048)
Total shareholders' equity	102,815	101,003
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 118,109	\$ 119,554

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

GEE GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)
(Amounts in thousands, except basic and diluted earnings per share)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2023	2022	2023	2022
NET REVENUES:				
Contract staffing services	\$ 33,976	\$ 33,745	\$ 69,377	\$ 70,429
Direct hire placement services	4,883	5,884	10,630	12,047
NET REVENUES	38,859	39,629	80,007	82,476
Cost of contract services	25,643	25,115	52,400	52,380
GROSS PROFIT	13,216	14,514	27,607	30,096
Selling, general and administrative expenses	11,705	12,228	24,513	24,587
Depreciation expense	98	94	199	180
Amortization of intangible assets	719	1,015	1,439	2,029
Goodwill impairment charge	-	-	-	2,150
INCOME FROM OPERATIONS	694	1,177	1,456	1,150
Gain on extinguishment of debt	-	-	-	16,773
Interest expense	(73)	(98)	(146)	(205)
Interest income	95	-	133	-
INCOME BEFORE INCOME TAX PROVISION	716	1,079	1,443	17,718
Provision for income tax expense (benefit)	58	(8)	131	(37)
NET INCOME	\$ 658	\$ 1,087	\$ 1,312	\$ 17,755
BASIC EARNINGS PER SHARE	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.16
DILUTED EARNINGS PER SHARE	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.15
WEIGHTED AVERAGE SHARES OUTSTANDING:				
BASIC	114,450	114,100	114,450	114,100
DILUTED	115,185	115,642	115,226	115,592

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

GEE GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (unaudited)
(Amounts in thousands)

	Common Stock Shares	Common Stock	Accumulated Deficit	Total Shareholders' Equity
Balance, September 30, 2022	114,450	\$ 112,051	\$ (11,048)	\$ 101,003
Share-based compensation	-	374	-	374
Net income	-	-	654	654
Balance, December 31, 2022	114,450	\$ 112,425	\$ (10,394)	\$ 102,031
Share-based compensation	-	126	-	126
Net income	-	-	658	658
Balance, March 31, 2023	<u>114,450</u>	<u>\$ 112,551</u>	<u>\$ (9,736)</u>	<u>\$ 102,815</u>
	Common Stock Shares	Common Stock	Accumulated Deficit	Total Shareholders' Equity
Balance, September 30, 2021	114,100	\$ 111,416	\$ (30,647)	\$ 80,769
Share-based compensation	-	147	-	147
Net income	-	-	16,668	16,668
Balance, December 31, 2021	114,100	\$ 111,563	\$ (13,979)	\$ 97,584
Share-based compensation	-	152	-	152
Net income	-	-	1,087	1,087
Balance, March 31, 2022	<u>114,100</u>	<u>\$ 111,715</u>	<u>\$ (12,892)</u>	<u>\$ 98,823</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

GEE GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(Amounts in thousands)

	Six Months Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 1,312	\$ 17,755
Adjustments to reconcile net income to cash provided by operating activities:		
Gain on extinguishment of debt	-	(16,773)
Depreciation and amortization	1,638	2,209
Non-cash lease expense	690	692
Goodwill impairment charge	-	2,150
Share-based compensation	500	299
Increase (decrease) in allowance for doubtful accounts	(36)	477
Deferred income taxes	89	(109)
Amortization of debt discount	76	76
Changes in operating assets and liabilities:		
Accounts receivable	2,375	1,394
Accounts payable	415	(560)
Accrued compensation	(170)	(590)
Other assets	(153)	(149)
Other liabilities	(5,297)	(2,415)
Net cash provided by operating activities	<u>1,439</u>	<u>4,456</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(84)	(155)
Net cash used in investing activities	<u>(84)</u>	<u>(155)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on finance leases	(104)	(73)
Net cash used in financing activities	<u>(104)</u>	<u>(73)</u>
Net change in cash	1,251	4,228
Cash at beginning of period	<u>18,848</u>	<u>9,947</u>
Cash at end of period	<u>\$ 20,099</u>	<u>\$ 14,175</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ 70	\$ 60
Cash paid for taxes	219	248

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Article 8 of Regulation S-X. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States of America for complete consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the six-month period ended March 31, 2023 are not necessarily indicative of the results that may be expected for the year ending September 30, 2023. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended September 30, 2022 as filed on December 20, 2022.

Certain reclassifications have been made to the prior year's condensed consolidated financial statements and/or related disclosures to conform to the current year's presentation.

2. Allowance for Doubtful Accounts and Falloffs

Direct hire placement service revenues from contracts with customers are recognized when employment candidates accept offers of employment, less a provision for estimated credits or refunds to customers as the result of applicants not remaining employed for the entirety of the Company's guarantee period (referred to as "falloffs"). The Company's guarantee periods for permanently placed employees generally range from 60 to 90 days from the date of hire.

Falloffs and refunds during the period are reflected in the unaudited condensed consolidated statements of operations as a reduction of placement service revenues and were approximately \$269 and \$803 for the three-month periods and \$433 and \$1,497 for the six-month periods ended March 31, 2023 and 2022, respectively. Expected future falloffs and refunds are estimated and reflected in the consolidated balance sheet as a reduction of accounts receivable as described below.

An allowance for doubtful accounts is recorded as a charge to bad debt expense when collection is considered to be doubtful due to credit issues. The Company charges off uncollectible accounts against the allowance once the invoices are deemed unlikely to be collectible. An allowance for placement falloffs also is recorded as a reduction of revenues for estimated losses due to applicants not remaining employed for the Company's guarantee period. The combined allowance for doubtful accounts and falloffs were \$702 and \$738 as of March 31, 2023 and September 30, 2022, respectively. The allowance consists of \$581 and \$548 for doubtful accounts and \$121 and \$190 for falloffs as of March 31, 2023 and September 30, 2022, respectively.

3. Advertising Expenses

The Company expenses the costs of print and internet media advertising and promotions as incurred and reports these costs in selling, general and administrative expenses. Advertising expenses totaled \$561 and \$484 for the three-month periods and \$1,142 and \$1,001 for the six-month periods ended March 31, 2023 and 2022, respectively.

4. Earnings per Share

Basic earnings per share are computed by dividing net income attributable to common stockholders by the weighted average common shares outstanding for the period. Diluted earnings per share is computed giving effect to all potentially dilutive common shares. Potentially dilutive common shares may consist of incremental shares issuable upon the vesting of restricted shares granted but unissued, exercise of stock options and warrants. The dilutive effect of the common stock equivalents is reflected in earnings per share by use of the treasury stock method.

The weighted average dilutive incremental shares, or common stock equivalents, included in the calculations of dilutive shares were 735 and 1,542 for the three-month periods and 776 and 1,492 for the six-month periods ended March 31, 2023 and 2022, respectively. Common stock equivalents excluded because their effect is anti-dilutive were 3,543 and 1,639 for the three-month periods and 3,458 and 1,693 for the six-month periods ended March 31, 2023 and 2022, respectively.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

5. Property and Equipment

Property and equipment, net consisted of the following:

	<u>March 31, 2023</u>	<u>September 30, 2022</u>
Computer software	\$ 481	\$ 481
Office equipment, furniture, fixtures and leasehold improvements	3,823	3,739
Total property and equipment, at cost	4,304	4,220
Accumulated depreciation and amortization	(3,279)	(3,080)
Property and equipment, net	<u>\$ 1,025</u>	<u>\$ 1,140</u>

6. Leases

The Company occasionally acquires equipment under finance leases including hardware and software used by our IT department to improve security and capacity, vehicles used by our Industrial Segment, and certain furniture for our offices. Terms for these leases generally range from two to six years.

Supplemental cash flow information related to finance leases consisted of the following:

	<u>Six Months Ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Cash paid for finance lease liabilities	\$ 104	\$ 73
Acquisition of equipment with finance lease	-	320

Supplemental balance sheet information related to finance leases consisted of the following:

	<u>March 31, 2023</u>	<u>September 30, 2022</u>
Weighted average remaining lease term for finance leases	3.1 years	3.3 years
Weighted average discount rate for finance leases	7.0%	7.3%

The table below reconciles the undiscounted future minimum lease payments under non-cancelable finance lease agreements to the total finance lease liabilities recognized on the unaudited condensed consolidated balance sheets, included in other current liabilities and other long-term liabilities, as of March 31, 2023:

Remainder of Fiscal 2023	\$ 110
Fiscal 2024	167
Fiscal 2025	108
Fiscal 2026	105
Fiscal 2027	21
Less: Imputed interest	(50)
Present value of finance lease liabilities (a)	<u>\$ 461</u>

(a) Includes current portion of \$187 for finance leases.

The Company leases space for all its branch offices, which are generally located either in downtown or suburban business centers, and for its corporate headquarters. Branch offices are generally leased over periods ranging from three to five years. The corporate office lease expires in 2026. The Company's leases generally provide for payment of basic rent plus a share of building real estate taxes, maintenance costs and utilities.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

Operating lease expenses were \$554 and \$543 for the three-month periods and \$1,142 and \$1,077 for the six-month periods ended March 31, 2023 and 2022, respectively.

Supplemental cash flow information related to leases consisted of the following:

	Six Months Ended March 31,	
	2023	2022
Cash paid for operating lease liabilities	\$ 892	\$ 987
Right-of-use assets obtained in exchange for new operating lease liabilities	1,838	294

Supplemental balance sheet information related to leases consisted of the following:

	March 31,	September 30,
	2023	2022
Weighted average remaining lease term for operating leases	2.5 years	1.8 years
Weighted average discount rate for operating leases	5.7%	5.9%

The table below reconciles the undiscounted future minimum lease payments under non-cancelable lease agreements having initial terms in excess of one year to the total operating lease liabilities recognized on the unaudited condensed consolidated balance sheet as of March 31, 2023, including certain closed offices are as follows:

Remainder of Fiscal 2023	\$ 842
Fiscal 2024	1,588
Fiscal 2025	1,028
Fiscal 2026	615
Fiscal 2027	457
Thereafter	242
Less: Imputed interest	(444)
Present value of operating lease liabilities (a)	<u>\$ 4,328</u>

(a) Includes current portion of \$1,461 for operating leases.

7. Goodwill and Intangible Assets

Goodwill

The Company completed its most recent annual goodwill impairment assessment, as of September 30, 2022, and determined that its goodwill was not impaired. As of March 31, 2023, the amount of discount inherent in the Company's market capitalization as reported on the NYSE American exchange when compared with consolidated stockholders' equity, or net book value, had increased since the Company's most recent annual goodwill impairment assessment indicating a possible triggering event. In response, the Company performed an interim goodwill impairment assessment as of March 31, 2023. As a result of this interim assessment, it was determined that no goodwill impairment was present as of March 31, 2023. As previously disclosed, the Company incurred a goodwill impairment charge in the amount of \$2,150 during the six months ended March 31, 2022.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

Intangible Assets

The following tables set forth the costs, accumulated amortization, and net book value of the Company’s separately identifiable intangible assets as of March 31, 2023 and September 30, 2022 and estimated future amortization expense.

	March 31, 2023			September 30, 2022		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Customer relationships	\$ 29,070	\$ (19,801)	\$ 9,269	\$ 29,070	\$ (18,482)	\$ 10,588
Trade names	8,329	(7,752)	577	8,329	(7,632)	697
Total	<u>\$ 37,399</u>	<u>\$ (27,553)</u>	<u>\$ 9,846</u>	<u>\$ 37,399</u>	<u>\$ (26,114)</u>	<u>\$ 11,285</u>
Remainder of Fiscal 2023					\$	1,440
Fiscal 2024						2,879
Fiscal 2025						2,741
Fiscal 2026						1,870
Fiscal 2027						916
					\$	<u>9,846</u>

Intangible assets that represent customer relationships are amortized on the basis of estimated future undiscounted cash flows or using the straight-line basis over estimated remaining useful lives of five to ten years. Trade names are amortized on a straight-line basis over their respective estimated useful lives of between five and ten years.

8. Senior Bank Loan, Security and Guarantee Agreement

On May 14, 2021, the Company and its subsidiaries entered a Loan, Security and Guaranty Agreement for a \$20 million asset-based senior secured revolving credit facility with CIT Bank, N.A. The CIT Facility is collateralized by 100% of the assets of the Company and its subsidiaries who are co-borrowers and/or guarantors. The CIT Facility matures on the fifth anniversary of the closing date (May 14, 2026).

As of March 31, 2023, the Company had no outstanding borrowings and \$13,347 available for borrowing under the terms of the CIT Facility. The Company also had \$484 in unamortized debt issuance costs associated with the CIT Facility. The amortization expense of these debt costs totaled \$38 for the three-month periods and \$76 for the six-month periods ended March 31, 2023 and 2022.

Under the CIT Facility, advances will be subject to a borrowing base formula that is computed based on 85% of eligible accounts receivable of the Company and subsidiaries as defined in the CIT Facility, and subject to certain other criteria, conditions, and applicable reserves, including any additional eligibility requirements as determined by the administrative agent. The CIT Facility is subject to usual and customary covenants and events of default for credit facilities of this type. The interest rate, at the Company’s election, will be based on either the Base Rate, as defined, plus the applicable margin; or the London Interbank Offered Rate (“LIBOR”), or any successor thereto, for the applicable interest period, subject to a 1% floor, plus the applicable margin. The CIT Facility also contains provisions addressing the future replacement of LIBOR utilized and referenced in the loan agreement, which will be replaced by the Secured Overnight Financing Rate (“SOFR”) in July 2023. SOFR is a secured, risk-free rate based on the cost of borrowing overnight. In addition to interest costs on advances outstanding, the CIT Facility will provide for an unused line fee ranging from 0.375% to 0.50% depending on the amount of undrawn credit, original issue discount and certain fees for diligence, implementation, and administration. The unused line fees incurred and included in interest expense totaled \$25 for both the three-month periods and \$51 for both the six-month periods ended March 31, 2023 and 2022, respectively.

9. Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) Payroll Protection Program Loans

During April and May 2020, the Company obtained Payroll Protection Program loans (“PPP loans”) for each of its operating subsidiaries. The PPP loans were used primarily to restore employee pay-cuts, recall furloughed or laid-off employees, support the payroll costs for existing employees, hire new employees, and for other allowable purposes including interest costs on certain business mortgage obligations, rent and utilities. The Company and its operating subsidiaries were granted forgiveness of their respective PPP loans by the SBA during fiscals 2021 and 2022. The Company’s remaining PPP loans and interest were forgiven in December 2021 and corresponding gains in the aggregate amount of \$16,773 were recognized during the six months ended March 31, 2022.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

The former PPP loans obtained by GEE Group Inc., and its operating subsidiaries together as an affiliated group, exceeded the \$,000 audit threshold established by the SBA, and therefore, will be subject to audit by the SBA in the future. If any of the nine forgiven PPP loans are reinstated in whole or in part as the result of a future audit, a charge or charges would be incurred, accordingly, and they would need to be repaid. If the companies are unable to repay the portions of their PPP loans that ultimately may be reinstated from available liquidity or operating cash flow, we may be required to raise additional equity or debt capital to repay the PPP loans.

10. Share-based Compensation

Amended and Restated 2013 Incentive Stock Plan, as amended

As of March 31, 2023, there were vested and unvested shares of restricted stock and stock options outstanding under the Company's Amended and Restated 2013 Incentive Stock Plan, as amended ("Incentive Stock Plan"). During fiscal 2021, the Incentive Stock Plan was amended to increase the total shares available for restricted stock and stock options by 10,000 to a total of 15,000 (7,500 restricted stock shares and 7,500 stock option shares). The Incentive Stock Plan authorizes the Compensation Committee of the Board of Directors to grant either incentive or non-statutory stock options to employees. Vesting periods are established by the Compensation Committee at the time of grant. As of March 31, 2023, there were 8,815 shares available to be granted under the Plan (4,098 shares available for restricted stock grants and 4,717 shares available for stock option grants).

Restricted Stock

The Company granted 760 shares of restricted stock during the six months ended March 31, 2023. On September 27, 2022, the Company adopted a new annual incentive compensation program ("AICP") for its executives to be administered under the Company's Incentive Stock Plan. The AICP includes a long-term incentive ("LTI") compensation plan in the form of restricted stock awards comprised of two components: one that vests based on future service only, and a second that vests based on future service and performance. Initial awards under both service-only and service plus performance-based components of the AICP LTI plan are determined based on financial performance measures for the immediately preceding fiscal year. During the six months ended March 31, 2023, 551 of the 760 restricted shares were granted based on actual results for fiscal 2022, as measured against corresponding financial targets for that year, and will cliff vest as of December 2, 2025.

The remaining 209 of the 760 restricted shares were also granted based on fiscal 2022 results, and as further adjusted for the probable outcome with regard to the financial targets set by the Company's board of directors for fiscal 2023. These restricted shares are subject to adjustment over their corresponding fiscal 2023 reporting period, based on probability of achieving the fiscal 2023 performance conditions. The final number of fiscal 2022 service plus performance-based restricted shares granted will be determined once the actual financial performance of the Company is determined for fiscal 2023, and will cliff vest on December 2, 2025, the third anniversary from their date of grant.

Under the AICP LTI plan, the service plus performance-based grants of 209 restricted shares during the six months ended March 31, 2023, represent the first tranche of a three-year schedule of awards. The next two tranches of up to 262 shares each (up to an additional 524 restricted shares in total) are scheduled to become effective as the Company's financial plans and targets are set by the board of directors prior to each anniversary date for each of the two subsequent fiscal years, respectively. As the vesting of the two subsequent tranches will be based in part on performance conditions that have not yet been determined, the grant dates and fair values of these scheduled awards will be established in the future. The end of the requisite service periods for the entire 760 restricted shares granted during the six months ended March 31, 2023, plus the additional 524 restricted shares eligible to be granted in the future, once the performance conditions are determined for fiscal 2024 and fiscal 2025, is December 2, 2025. Therefore, the remaining two tranches of the fiscal 2022 service plus performance-based awards may be expected to have grant dates corresponding with the establishment of the fiscal 2024 and fiscal 2025 financial performance targets by the Company's board of directors. However, all final shares determined for each of the two subsequent annual tranches also will cliff vest on December 2, 2025.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

Share-based compensation expense attributable to restricted stock was \$88 and \$76 for the three-month periods and \$175 and \$148 for the six-month periods ended March 31, 2023 and 2022, respectively. As of March 31, 2023, there was approximately \$624 of unrecognized compensation expense related to restricted stock outstanding and the weighted average vesting period for those grants was 3.06 years.

	Number of Shares	Weighted Average Fair Value (\$)
Non-vested restricted stock outstanding as of September 30, 2022	1,192	0.61
Granted	760	0.79
Vested	-	-
Non-vested restricted stock outstanding as of December 31, 2022	1,952	0.69
Granted	-	-
Vested	-	-
Non-vested restricted stock outstanding as of March 31, 2023	<u>1,952</u>	<u>0.69</u>

Warrants

The Company had 77 warrants outstanding as of March 31, 2023 and September 30, 2022 with a weighted average exercise price per share of \$2 and a weighted average remaining contractual life of 2.01 and 2.50, respectively. No warrants were granted or expired during the six months ended March 31, 2023.

Stock Options

All stock options outstanding as of March 31, 2023 and September 30, 2022 were non-statutory stock options, had exercise prices equal to the market price on the date of grant, and had expiration dates ten years from the date of grant.

The Company granted 435 stock options during the six months ended March 31, 2023. The stock options generally vest on annual schedules during periods ranging from two to four years, although some options are fully vested upon grant. Share-based compensation expense attributable to stock options was \$38 and \$76 for the three-month periods and \$325 and \$151 for the six-month periods ended March 31, 2023 and 2022, respectively. As of March 31, 2023, there was approximately \$10 of unrecognized compensation expense related to unvested stock options outstanding, and the weighted average vesting period for those options was 3.69 years.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price per share (\$)</u>	<u>Weighted Average Remaining Contractual Life (Years)</u>	<u>Total Intrinsic Value of Options (\$)</u>
Options outstanding as of September 30, 2022	2,427	1.54	7.65	-
Granted	435	0.78	-	-
Forfeited	(24)	0.72	-	-
Options outstanding as of December 31, 2022	<u>2,838</u>	<u>1.43</u>	<u>7.77</u>	<u>-</u>
Granted	-	-	-	-
Forfeited	(55)	1.06	-	-
Options outstanding as of March 31, 2023	<u>2,783</u>	<u>1.44</u>	<u>7.52</u>	<u>-</u>
Exercisable as of September 30, 2022	<u>1,111</u>	<u>2.58</u>	<u>5.82</u>	<u>-</u>
Exercisable as of March 31, 2023	<u>1,815</u>	<u>1.88</u>	<u>6.70</u>	<u>-</u>

11. Income Tax

The following table presents the provision for income taxes and our effective tax rate for the three and six-month periods ended March 31, 2023 and 2022:

	<u>Three Months Ended, March 31,</u>		<u>Six Months Ended, March 31,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Provision (benefit) for income taxes	\$ 58	\$ (8)	\$ 131	\$ (37)
Effective tax rate	8%	0%	9%	0%

The effective income tax rate on operations is based upon the estimated income for the year and adjustments, if any, in the applicable quarterly periods for the potential tax consequences, benefits, resolutions of tax audits or other tax contingencies.

Our effective tax rate for the three and six-month periods ended March 31, 2023 and 2022, is lower than the statutory tax rate primarily due to the effect of the valuation allowance on the net deferred tax asset (“DTA”) position. Other than the deferred tax liability relating to indefinite lived assets, the Company is maintaining a valuation allowance against the remaining net DTA position.

12. Commitments and Contingencies

Litigation and Claims

As previously disclosed, on March 23, 2022, the Company settled the Sands Brothers Venture Capital II, LLC lawsuit. Under the terms of the agreement and release, neither the plaintiff nor the Company have admitted or conceded to any wrongdoing and the matter was settled in its entirety for a one-time payment to the plaintiff of approximately \$1,175, of which the Company’s portion was \$975, with insurance paying the balance. This payment was due and paid by April 8, 2022, and recorded in selling, general, and administrative expenses as a pre-tax charge in the Company’s condensed consolidated financial statements during the three-month period ended March 31, 2022.

The Company and its subsidiaries are involved in various other litigation that arises in the ordinary course of business. There are no other pending significant legal proceedings to which the Company is a party for which management believes the ultimate outcome would have a material adverse effect on the Company’s financial position.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

13. Segment Data

The Company provides the following distinctive services: (a) direct hire placement services, (b) temporary professional services staffing in the fields of information technology, accounting, finance and office, engineering, and medical, and (c) temporary industrial staffing. These services can be divided into two reportable segments: Professional Staffing Services and Industrial Staffing Services. Some selling, general and administrative expenses are not fully allocated among Industrial Services and Professional Staffing Services.

Unallocated corporate expenses primarily include certain executive and administrative salaries and related expenses, corporate legal expenses, share-based compensation expenses, consulting expenses, audit fees, corporate rent and facility costs, board related fees, acquisition, integration and restructuring expenses, and interest expense.

	Three Months Ended March 31,		Six Months Ended March 31,	
	2023	2022	2023	2022
Industrial Staffing Services				
Contract services revenue	\$ 3,225	\$ 3,736	\$ 6,844	\$ 7,824
Contract services gross margin (a)	16.5%	14.7%	15.9%	15.0%
Income from operations	\$ 32	\$ 580	\$ 37	\$ 692
Depreciation and amortization	14	15	29	31
Professional Staffing Services				
Permanent placement revenue	\$ 4,883	\$ 5,884	\$ 10,630	\$ 12,047
Permanent placement services gross margin	100%	100%	100%	100%
Contract services revenue	\$ 30,751	\$ 30,009	\$ 62,533	\$ 62,605
Contract services gross margin	25.4%	26.9%	25.4%	27.0%
Income from operations	\$ 1,964	\$ 2,606	\$ 4,518	\$ 4,851
Depreciation and amortization	803	1,094	1,609	2,178
Unallocated Expenses				
Corporate administrative expenses	\$ 983	\$ 2,524	\$ 2,214	\$ 3,629
Corporate facility expenses	111	90	221	184
Share-based compensation expense	126	152	500	299
Board related expenses	82	34	164	68
Total unallocated expenses	\$ 1,302	\$ 2,800	\$ 3,099	\$ 4,180
Consolidated				
Total revenue	\$ 38,859	\$ 39,629	\$ 80,007	\$ 82,476
Income from operations	694	1,177	1,456	1,150
Depreciation and amortization	817	1,109	1,638	2,209

- (a) Credits related to estimated annual premium refunds from the Ohio Bureau of Workers Compensations totaling \$2 and \$19 are included in the three-month periods ended March 31, 2023 and 2022, respectively; and \$2 and \$37 for the six-month periods ended March 31, 2023 and 2022, respectively. The Industrial Services gross margin normalized for the effects of these items were approximately 16.4% and 14.2% for the three-month periods ended March 31, 2023 and 2022, respectively; and 15.9% and 14.5% for the six-month periods ended March 31, 2023 and 2022, respectively.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Overview

GEE Group Inc. and its wholly owned material operating subsidiaries, Access Data Consulting Corporation, Agile Resources, Inc., BMCH, Inc., Paladin Consulting, Inc., Scribe Solutions, Inc., SNI Companies, Inc., Triad Logistics, Inc., and Triad Personnel Services, Inc. (collectively referred to as the “Company”, “us”, “our”, or “we”) are providers of permanent and temporary professional and industrial staffing and placement services in and near several major U.S. cities. We specialize in the placement of information technology, accounting, finance, office, and engineering professionals for direct hire and contract staffing for our clients, data entry assistants (medical scribes) who specialize in electronic medical records (EMR) services for emergency departments, specialty physician practices and clinics, and provide temporary staffing services for our industrial clients. The acquisitions of Scribe Solutions, Inc., a Florida corporation (“Scribe”) in April 2015, Agile Resources, Inc., a Georgia corporation (“Agile”) in July 2015, Access Data Consulting Corporation, a Colorado corporation (“Access”) in October 2015, Paladin Consulting Inc. (“Paladin”) in January 2016, and SNI Companies, Inc., a Delaware corporation (“SNI”) in April 2017, expanded our geographical footprint within the professional placement and contract staffing verticals or end markets of information technology, accounting, finance, office, engineering professionals, and medical scribes.

The Company markets its services using the trade names General Employment Enterprises, Omni One, Ashley Ellis, Agile Resources, Scribe Solutions Inc., Access Data Consulting Corporation, Paladin Consulting Inc., SNI Companies, Accounting Now, Staffing Now®, SNI Banking, SNI Certes®, SNI Energy®, SNI Financial®, SNI Technology®, Triad Personnel Services and Triad Staffing. As of March 31, 2023, we operated from locations in eleven (11) states, including twenty-six (26) branch offices in downtown or suburban areas of major U.S. cities and four (4) additional U.S. locations utilizing local staff members working remotely. We have offices or serve markets remotely, as follows; (i) one office in each of Connecticut, Georgia, Minnesota, and New Jersey, and one remote local market presence in Virginia; (ii) two offices each in Illinois and Massachusetts; (iii) three offices in Colorado; (iv) two offices and two additional local market presences in Texas; (v) six offices and one additional local market presence in Florida; and (vi) seven offices in Ohio.

Management has implemented a strategy which includes organic and acquisition growth components. Management’s organic growth strategy includes seeking out and winning new client business, as well as expansion of existing client business and on-going cost reduction and productivity improvement efforts in operations. Management’s acquisition growth strategy includes identifying strategic, accretive acquisitions, financed primarily through a combination of cash and debt, including seller financing, the issuance of equity in appropriate circumstances, and the use of earn-outs where efficient to improve the overall profitability and cash flows of the Company.

The Company’s contract and placement services are principally provided under two operating divisions or segments: Professional Staffing Services and Industrial Staffing Services. We believe our current segments and array of businesses and brands within our segments complement one another and position us for future growth.

(Amounts in thousands except per share data, unless otherwise stated)

Results of Operations

Three Months Ended March 31, 2023 Compared to the Three Months Ended March 31, 2022

Net Revenues

Consolidated net revenues are comprised of the following:

	Three Months Ended March 31,		Change	Change
	2023	2022		
Professional contract services	\$ 30,751	\$ 30,009	\$ 742	2%
Industrial contract services	3,225	3,736	(511)	-14%
Total professional and industrial contract services	33,976	33,745	231	1%
Direct hire placement services	4,883	5,884	(1,001)	-17%
Consolidated net revenues	\$ 38,859	\$ 39,629	\$ (770)	-2%

Contract staffing services contributed \$33,976, or approximately 87%, of consolidated revenues and direct hire placement services contributed \$4,883, or approximately 13%, of consolidated revenues for the three-month period ended March 31, 2023. This compares to contract staffing services revenues of \$33,745, or approximately 85%, of consolidated revenues and direct hire placement revenues of \$5,884, or approximately 15%, of consolidated revenues for the three-month period ended March 31, 2022.

The overall increase in contract staffing services revenues was \$231, or 1%, for the three-month period ended March 31, 2023 compared to the three-month period ended March 31, 2022, led by professional contract services revenue, which increased \$742. Excluding the effects of certain discreet (non-recurring) projects for professional staffing support provided to former COVID-19 response vaccination and testing facilities, which generated \$835 in revenue in the three-month period ended March 31, 2022, professional contract services revenues would have increased \$1,577, or 5%, during the three-month period ended March 31, 2023 compared to the three-month period ended March 31, 2022. Industrial staffing services for the quarter decreased by \$511, or 14%, mainly due to a decrease in orders from clients. The industrial staffing markets in Ohio continue to be affected by workforce volatility following COVID-19, resulting in more competition for orders and temporary labor to fill orders.

Direct hire placement revenue for the three-month period ended March 31, 2023 decreased by \$1,001, or approximately 17% as compared to the three-month period ended March 31, 2022. Direct hire opportunities tend to be highly cyclical and demand dependent. Demand for the Company's direct hire services was lower during the three-month period ended March 31, 2023, following record high cyclical direct hire production in fiscal 2022. It is noteworthy that the three-month period ended March 31, 2022 was one of our highest quarters ever in terms of direct hire revenues. Management believes that the Company's direct hire performance during the three-month period ended March 31, 2023 was on par with larger employment and industry trends.

Cost of Contract Services

Cost of contract services includes wages and related payroll taxes and employee benefits of the Company's contract services employees, and certain other contract employee-related costs, while working on contract assignments. Cost of contract services for the three-month period ended March 31, 2023 totaled \$25,643, as compared to \$25,115 for the three-month period ended March 31, 2022. The \$528 overall increase in cost of contract services is proportionally greater than the increase in revenues due mainly to inflationary effects on contractor pay and related costs of services.

(Amounts in thousands except per share data, unless otherwise stated)

Gross profit percentage by service:

	Three Months Ended March 31,	
	2023	2022
Professional contract services	25.4%	26.9%
Industrial contract services	16.5%	14.7%
Professional and industrial services combined	24.5%	25.6%
Direct hire placement services	100.0%	100.0%
Combined gross profit margin (a)	34.0%	36.6%

(a) Includes gross profit from direct hire placements, for which all associated costs are recorded as selling, general and administrative expenses.

The Company's combined gross profit margin, including direct hire placement services (recorded at 100% gross margin) for the three-month periods ended March 31, 2023 and 2022 were approximately 34.0% and 36.6%, respectively.

In the professional contract services segment, the gross margin (excluding direct hire placement services) was approximately 25.4% for three-month period ended March 31, 2023 compared to approximately 26.9% for the three-month period ended March 31, 2022. This decrease is due in part to increases in contractor pay associated with the recent rise in inflation resulting in some margin compression. The Company has stepped-up counter-inflationary measures, including seeking increases in bill rates and spreads, where possible, to address margin compression.

The Company's industrial contract services gross margin for the three-month period ended March 31, 2023 was approximately 16.5% versus approximately 14.7% for the three-month period ended March 31, 2022. Gross profit for the Company's Industrial Segment includes annual premium refunds from the Ohio Bureau of Workers Compensation insurance programs totaling \$2 and \$19 for the three-month periods ended March 31, 2023 and 2022, respectively. The Industrial Services gross margin excluding the effect of these refunds and distributions were approximately 16.4% and 14.2% for the three-month periods ended March 31, 2023 and 2022, respectively. The increase, excluding the effects of the workers compensation premium refunds and distributions, is mainly attributable to price increases enacted to offset increases in contractor payroll, leading to higher spreads in the Industrial Segment.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") include the following categories:

- Compensation and benefits in the operating divisions, which include salaries, wages and commissions earned by the Company's employment consultants, recruiters and branch managers on permanent and temporary placements;
- Administrative compensation, which includes salaries, wages, share-based compensation, payroll taxes, and employee benefits associated with general management and the operation of corporate functions, including principally, finance, human resources, information technology and administrative functions;
- Occupancy costs, which includes office rent, and other office operating expenses;
- Recruitment advertising, which includes the cost of identifying and tracking job applicants; and
- Other selling, general and administrative expenses, which includes travel, bad debt expense, fees for outside professional services and other corporate-level expenses such as business insurance and taxes.

[Table of Contents](#)

(Amounts in thousands except per share data, unless otherwise stated)

The Company's SG&A for the three-month period ended March 31, 2023 decreased by \$523 as compared to the three-month period ended March 31, 2022. SG&A for the three-month period ended March 31, 2023, as a percentage of revenues, were approximately 30% compared to approximately 31% for the three-month period ended March 31, 2022. SG&A for the three-month period ended March 31, 2022 included the settlement of a legal matter totaling \$975. The small net increase in SG&A relative to revenue excluding the impact of this non-recurring item is largely a result of the effects of inflation on compensation and other operating costs. In February and March 2023, the Company implemented certain cost reductions with estimated annual savings of approximately \$4.0 million. The Company monitors operating costs including the impacts of inflation with a view towards identifying and taking advantage of potential cost reductions on a routine basis.

SG&A also includes certain non-cash costs and expenses incurred related to acquisition, integration, restructuring and other non-recurring activities, such as certain corporate legal and general expenses associated with capital markets activities, that either are not directly associated with core business operations or have been eliminated on a going forward basis. These costs were estimated to be \$65 and \$1,005 for the three-month periods ended March 31, 2023 and 2022, respectively, and include mainly expenses associated with former closed and consolidated locations, and personnel costs associated with eliminated positions. The legal settlement described above contributed \$975 to these costs for the three-month period ended March 31, 2022.

Depreciation Expense

Depreciation expense was \$98 and \$94 for the three-month periods ended March 31, 2023, and 2022, respectively. The increase in depreciation expense is due to recent net additions to fixed assets.

Amortization Expense

Amortization expense was \$719 and \$1,015 for the three-month periods ended March 31, 2023 and 2022, respectively. The decrease is due to intangible assets related to certain non-complete agreements and trade names becoming fully amortized.

Income from Operations

Income from operations was \$694 and \$1,177 for the three-month periods ended March 31, 2023 and 2022, respectively. This decrease of \$483 is mainly attributable to the decrease in direct hire placement revenues as discussed above.

Interest Expense

Interest expense was \$73 for the three-month period ended March 31, 2023, which decreased by \$25 compared to the three-month period ended March 31, 2022.

Interest Income

The Company began holding excess cash in a money market account in August 2022 on which interest has since been earned on a monthly basis. Interest income earned from this account was \$95 for the three-month period ended March 31, 2023.

Provision for Income Taxes

The Company recognized income tax expense (benefit) of \$58 and \$(8) for the three-month periods ended March 31, 2023 and 2022, respectively. Our effective tax rates for the three-month periods ended March 31, 2023 and 2022 are lower than the statutory rate primarily due to the effect of the change in valuation allowance on the net DTA position.

Net Income

The Company's net income was \$658 and \$1,087 for the three-month periods ended March 31, 2023 and 2022, respectively. The decrease of \$429 is consistent with the decrease in gross profit and gross margin for the three months ended March 31, 2023, as explained in the preceding applicable portions of this Management's Discussion and Analysis ("MD&A").

(Amounts in thousands except per share data, unless otherwise stated)

Six Months Ended March 31, 2023 Compared to the Six Months Ended March 31, 2022

Net Revenues

Consolidated net revenues are comprised of the following:

	Six Months Ended March 31,		Change	Change
	2023	2022		
Professional contract services	\$ 62,533	\$ 62,605	\$ (72)	0%
Industrial contract services	6,844	7,824	(980)	-13%
Total professional and industrial contract services	69,377	70,429	(1,052)	-1%
Direct hire placement services	10,630	12,047	(1,417)	-12%
Consolidated net revenues	<u>\$ 80,007</u>	<u>\$ 82,476</u>	<u>\$ (2,469)</u>	<u>-3%</u>

Contract staffing services contributed \$69,377, or approximately 87%, of consolidated revenues and direct hire placement services contributed \$10,630, or approximately 13%, for the six-month period ended March 31, 2023. This compares to contract staffing services revenues of \$70,429, or approximately 85%, of consolidated revenues and direct hire placement revenues of \$12,047, or approximately 15%, of consolidated revenues for the six-month period ended March 31, 2022.

The overall decrease in contract staffing services revenues of \$1,052, or 1%, for the six-month period ended March 31, 2023 compared to the six-month period ended March 31, 2022 was primarily attributable to completion of certain discreet (non-recurring) projects as the six-month period ended March 31, 2022 included revenue for professional staffing support provided to former COVID-19 response vaccination and testing facilities. These discreet projects generated \$3,159 in revenue during the six-month period ended March 31, 2022. Excluding the effects of these discreet projects, professional contract services revenues would have increased \$3,087, or 5%, during the six-month period ended March 31, 2023 compared to the six-month period ended March 31, 2022. Industrial staffing services for the quarter decreased by \$980, or 13%, mainly due to a decrease in orders from clients. The industrial staffing markets continue to stabilize after the effects of COVID-19; however, competition for orders and temporary labor to fill orders also has increased.

Direct hire placement revenue for the six-month period ended March 31, 2023 decreased by \$1,417, or approximately 12%, from the six-month period ended March 31, 2022. Direct hire opportunities tend to be highly cyclical and demand dependent. Demand for the Company's direct hire services was lower during the six-month period ended March 31, 2023 following record high cyclical direct hire production in fiscal 2022, including the six-month period ended March 31, 2022.

Cost of Contract Services

Cost of contract services includes wages and related payroll taxes and employee benefits of the Company's contract services employees, and certain other contract employee-related costs, while working on contract assignments. Cost of contract services for the six-month period ended March 31, 2023 totaled \$52,400, which was slightly higher as compared to \$52,380 for the six-month period ended March 31, 2022, while total contract services revenues for the six-month period ended March 31, 2023 was down \$1,005 compared with the six-month period ended March 31, 2022. On the basis of relativity to revenue, the increase in cost of contract services was approximately \$800, or 1.5%, which is attributable to increases in contractor pay as a result of recent wage inflation.

(Amounts in thousands except per share data, unless otherwise stated)

Gross profit percentage by service:

	Six Months Ended March 31,	
	2023	2022
Professional contract services	25.4%	27.0%
Industrial contract services	15.9%	15.0%
Professional and industrial services combined	24.5%	25.6%
Direct hire placement services	100.0%	100.0%
Combined gross profit margin (a)	<u>34.5%</u>	<u>36.5%</u>

(a) Includes gross profit from direct hire placements, for which all associated costs are recorded as selling, general and administrative expenses.

The Company's combined gross profit margins, including direct hire placement services (recorded at 100% gross margin) for the six-month periods ended March 31, 2023 and 2022 were approximately 34.5% and 36.5%, respectively.

In the professional contract services segment, the gross margin (excluding direct hire placement services) was approximately 25.4% for the six-month period ended March 31, 2023 compared to approximately 27.0% for the six-month period ended March 31, 2022. This decrease is due in part to increases in contractor pay associated with the recent rise in inflation resulting in some margin compression. The Company has stepped-up counter-inflationary measures, including seeking increases in bill rates and spreads, where possible, to address margin compression.

The Company's industrial contract services gross margin for the six-month period ended March 31, 2023 was approximately 15.9% versus approximately 15.0% for the six-month period ended March 31, 2022. Gross profit for the Company's Industrial Segment includes annual premium refunds from the Ohio Bureau of Workers Compensation insurance programs totaling \$2 and \$37 for the six-month periods ended March 31, 2023 and 2022, respectively. The Industrial Services gross margin excluding the effect of these refunds and distributions were approximately 15.9% and 14.5% for the six-month periods ended March 31, 2023 and 2022, respectively. The increase, excluding the effects of the workers compensation premium refunds and distributions, is mainly attributable to price increases enacted to offset increases in contractor payroll, leading to higher spreads in the Industrial Segment.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") include the following categories:

- Compensation and benefits in the operating divisions, which includes salaries, wages and commissions earned by the Company's employment consultants, recruiters and branch managers on permanent and temporary placements;
- Administrative compensation, which includes salaries, wages, share-based compensation, payroll taxes, and employee benefits associated with general management and the operation of corporate functions, including principally, finance, human resources, information technology and administrative functions;
- Occupancy costs, which includes office rent, and other office operating expenses;
- Recruitment advertising, which includes the cost of identifying and tracking job applicants; and
- Other selling, general and administrative expenses, which includes travel, bad debt expense, fees for outside professional services and other corporate-level expenses such as business insurance and taxes.

(Amounts in thousands except per share data, unless otherwise stated)

The Company's SG&A for the six-month period ended March 31, 2023 decreased by \$74 as compared to the six-month period ended March 31, 2022. SG&A for the six-month period ended March 31, 2023, as a percentage of revenues, were approximately 31% compared to approximately 30% for the six-month period ended March 31, 2022. SG&A for the three-month period ended March 31, 2022 included expenses for the settlement of a legal matter and a severance agreement totaling \$975 and \$510, respectively. The net increase in SG&A relative to revenue excluding the impact of these non-recurring items is largely a result of the effects of inflation on compensation and other operating costs. In February and March 2023, the Company implemented certain cost reductions with estimated annual savings of approximately \$4.0 million. The Company monitors operating costs including the impacts of inflation with a view towards identifying and taking advantage of potential cost reductions on a routine basis.

SG&A includes certain non-cash costs and expenses incurred related to acquisition, integration and restructuring and other non-recurring activities, such as certain corporate legal and general expenses associated with capital markets activities that either are not directly associated with core business operations or have been eliminated on a going forward basis. These costs were estimated to be \$110 and \$1,531 for the six-month periods ended March 31, 2023 and 2022, respectively, and include mainly expenses associated with former closed and consolidated locations, and personnel costs associated with eliminated positions. The six-month period ended March 31, 2022 included expenses for a legal settlement and severance agreement totaling \$975 and \$510, respectively.

Depreciation Expense

Depreciation expense was \$199 and \$180 for the six-month periods ended March 31, 2023 and 2022, respectively. The increase in depreciation expense is due to recent net additions to fixed assets.

Amortization Expense

Amortization expense was \$1,439 and \$2,029 for the six-month periods ended March 31, 2023 and 2022, respectively. The decrease is due to intangible assets related to certain non-complete agreements and trade names becoming fully amortized.

Income from Operations

Income from operations was \$1,456 and \$1,150 for the six-month periods ended March 31, 2023 and 2022, respectively. The increase is mainly due to the six-month period ended March 31, 2022 including expenses for a legal settlement and severance agreement totaling \$975 and \$510, respectively. Excluding these items, the net decrease of \$1,179 is consistent with the decrease in revenues as discussed above.

Interest Expense

Interest expense was \$146 for the six-month period ended March 31, 2023, which decreased by \$59 compared to the six-month period ended March 31, 2022.

Interest Income

The Company began holding excess cash in a money market account in August 2022 on which interest has since been earned on a monthly basis. Interest income earned from this account was \$133 for the six-month period ended March 31, 2023.

Provision for Income Taxes

The Company recognized income tax expense (benefits) of \$131 and \$(37) for the six-month periods ended March 31, 2023 and 2022, respectively. Our effective tax rates for the six-month periods ended March 31, 2023 and 2022 are lower than the statutory rate primarily due to the effect of the change in valuation allowance on the net DTA position.

Net Income

The Company's net income was \$1,312 and \$17,755 for the six-month periods ended March 31, 2023 and 2022, respectively. The decrease in net income is mainly attributable to gains of \$16,773 from extinguishment of the Company's remaining PPP loans, offset by a \$2,150 non-cash goodwill impairment charge during the six months ended March 31, 2022. The remaining net decrease of \$1,820 is consistent with the decrease in gross profit and gross margin for the six months ended March 31, 2023, as explained in the preceding applicable portions of this MD&A.

(Amounts in thousands except per share data, unless otherwise stated)

Liquidity and Capital Resources

The primary sources of liquidity for the Company are revenues earned and collected from its clients and borrowings available under its asset-based senior secured revolving credit facility. Uses of liquidity include primarily the costs and expenses necessary to fund operations, including payment of compensation to the Company's contract and permanent employees, and employment-related expenses, operating costs and expenses, taxes and capital expenditures.

The following table sets forth certain consolidated statements of cash flows data:

	Six Months Ended March 31,	
	2023	2022
Cash flows provided by operating activities	\$ 1,439	\$ 4,456
Cash flows used in investing activities	(84)	(155)
Cash flows used in financing activities	(104)	(73)

As of March 31, 2023, the Company had \$20,099 of cash, which was an increase of \$1,251 from \$18,848 as of September 30, 2022. As of March 31, 2023, the Company had working capital of \$29,928 compared to \$26,643 of working capital as of September 30, 2022. The increase in working capital is mainly attributable to the final installment of deferred payroll taxes under the CARES Act being paid and annual incentive compensation payments during the six months ended March 31, 2023, which were reflected in current liabilities in the aggregate amount of \$3,027 as of September 30, 2022. These payments also account for corresponding reductions in cash flows provided by operating activities as of March 31, 2023.

The primary uses of cash for investing activities were for the acquisition of property and equipment in the six-month periods ended March 31, 2023 and 2022.

The cash flows used in financing activities were for payments made on finance leases during the six-month periods ended March 31, 2023 and 2022.

All the Company's office facilities are leased. Minimum lease payments under all the Company's lease agreements for the twelve-month period commencing after the close of business on March 31, 2023, are approximately \$1,682. There are no minimum debt service principal payments due during the twelve-month period commencing after the close of business on March 31, 2023.

The Company had approximately \$13,347 in availability for borrowings under its CIT Facility as of March 31, 2023. There were no outstanding borrowings on the CIT Facility as of March 31, 2023, or September 30, 2022, except for certain accrued carrying fees and costs, which are included in other current liabilities in the accompanying consolidated balance sheets.

On April 27, 2023, the Company's Board of Directors approved a share repurchase program authorizing the Company to purchase up to an aggregate of \$20,000 of the Company's currently outstanding shares of common stock. The share repurchase program will continue through December 31, 2023, may be suspended or discontinued at any time and does not obligate the Company to repurchase any number of shares of common stock. The share repurchase program is to be conducted in accordance with Rule 10b-18 of the Securities Exchange Act of 1934, as amended. Subject to applicable rules and regulations, the shares of common stock may be purchased from time to time in the open market transactions and in amounts as the Company deems appropriate, based on factors such as market conditions, legal requirements and other business considerations.

Management believes that the Company can generate adequate liquidity to meet its obligations for the foreseeable future and at least for the next twelve months.

Off-Balance Sheet Arrangements

As of March 31, 2023, there were no transactions, agreements or other contractual arrangements to which an unconsolidated entity was a party, under which the Company (a) had any direct or contingent obligation under a guarantee contract, derivative instrument or variable interest in the unconsolidated entity, or (b) had a retained or contingent interest in assets transferred to the unconsolidated entity.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

As of March 31, 2023, the Company's management evaluated, with the participation of its principal executive officer and its principal financial officer, the effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act"). Based on that evaluation, the Company's principal executive officer and its principal financial officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2023.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting or in any other factors that could significantly affect these controls, during the Company's six-month period ended March 31, 2023, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION.

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

In evaluating us and our common stock, we urge you to carefully consider the risks and other information in this Quarterly Report on Form 10-Q, as well as the risk factors disclosed in Item 1A. of Part I of our Annual Report on Form 10-K for the fiscal year ended September 30, 2022 (“2022 Form 10-K”) filed with the SEC on December 20, 2022. Any of the risks discussed in this Quarterly Report on Form 10-Q or any of the risks disclosed in Item 1A. of Part I of our 2022 Form 10-K, as well as additional risks and uncertainties not currently known to us or that we currently deem immaterial, could materially and adversely affect our results of operations or financial condition.

Financial challenges at other banking institutions could lead to depositor concerns that spread within the banking industry causing disruptive deposit outflows and other destabilizing results.

In March and April 2023, certain specialized banking institutions with elevated concentrations of uninsured deposits experienced large deposit outflows coupled with insufficient liquidity to meet withdrawal demands, resulting in the institutions being placed into FDIC receiverships. In the aftermath, there has been substantial market disruption and indications that diminished depositor confidence could spread across the banking industry, leading to deposit outflows and other destabilizing results. The Federal Reserve Board has announced that it will provide funding to ensure that banks have sufficient liquidity to meet the needs of their depositors, but there can be no assurance whether such funding will be adequate to address these issues. The Company currently has bank deposits with financial institutions in the U.S. that exceed FDIC insurance limits. However, the Company also has been taking measures to diversify its deposit base, that are intended to mitigate and minimize its potential exposure to losses as a result of maintaining cash deposits in accounts that exceed FDIC insurance limits. Among these, since March 31, 2023, the Company has deposited \$13 million of its excess cash under a brokerage arrangement with a major financial advisory institution that manages and deposits these funds under a specialized program whereby the funds are allocated among FDIC insured banks in amounts that individually do not exceed the established FDIC insured limit of \$250 thousand.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not required.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

The following exhibits are filed as a part of Part I of this report:

<u>No.</u>	<u>Description of Exhibit</u>
3.01*	Amended and Restated By-Laws
10.01*	Employment Agreement, dated April 27, 2023, between the Company and Derek Dewan
10.02*	Employment Agreement, dated April 27, 2023, between the Company and Kim Thorpe
10.03*	Employment Agreement, dated April 27, 2023, between the Company and Alex Stuckey
10.04*	Form of Indemnity Agreement with directors and officers, adopted April 27, 2023
31.01*	Certifications of the principal executive officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
31.02*	Certifications of the principal financial officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
32.01**	Certifications of the principal executive officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act and Section 1350 of Title 18 of the United States Code.
32.02**	Certifications of the principal financial officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act and Section 1350 of Title 18 of the United States Code.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
*	Filed herewith
**	Furnished herewith. This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. Section 1350 and is not being filed for purposes of Section 18 of the Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filings of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

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

GEE GROUP INC.
(Registrant)

Date: May 15, 2023

By: /s/ Derek Dewan
Derek Dewan
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Kim Thorpe
Kim Thorpe
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

AMENDED AND RESTATED

BY-LAWS

OF

GEE GROUP INC.

Adopted by the Board of Directors
on

April 27, 2023

**AMENDED AND RESTATED
BY-LAWS
OF
GEE GROUP INC.**

**ARTICLE I
OFFICES**

The principal office of GEE Group Inc. (the "Corporation") shall be within or without the State of Illinois, as the business of the Corporation may require, as determined by the Board of Directors from time to time.

The registered office of the Corporation required by the Illinois Business Corporation Act of 1983 (the "Act") to be maintained in the State of Illinois may be, but need not be, identical with the principal office in the State of Illinois. The address of the registered office may be changed from time to time by the Board of Directors.

**ARTICLE II
SHAREHOLDERS**

SECTION 1 ANNUAL MEETING: TRANSACTION OF BUSINESS, NOMINATION OF DIRECTORS. The annual meeting of the shareholders shall be held at such place, on such date and at such time as shall be designated from time to time by the Board of Directors. The meeting shall be held for the purpose of electing Directors and for the transaction of such other business as is brought properly before the meeting in accordance with these By-Laws. If the election of Directors shall not be held on the day designated for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a meeting of the shareholders as soon thereafter as conveniently may be, or by written consent as provided for in Section 14 herein.

At any annual meeting of the shareholders, only such nominations of persons for election to the Board of Directors shall be made, and only such other business shall be conducted or considered, as shall have been brought properly before the meeting. For nominations to be made properly at an annual meeting, and proposals of other business to be brought properly before an annual meeting, nominations and proposals of other business must be: (a) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise brought properly before the annual meeting by or at the direction of the Board of Directors, or (c) otherwise requested properly to be brought before the annual meeting by a shareholder who (i) is a shareholder of record on the record date for the determination of shareholders entitled to vote at such annual meeting, on the date such shareholder provides timely notice to the Corporation as provided herein and on the date of the annual meeting and (ii) complies with the notice requirements set forth in this Section 1.

In addition to any other applicable requirements, for nominations to be made properly at an annual meeting by a shareholder, and proposals of other business to be brought properly before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary. To be timely, a shareholder's notice to the Secretary must be delivered to and received at the principal executive office of the Corporation not less than ninety days and not more than one hundred twenty days prior to the anniversary date of the preceding annual meeting of shareholders; provided, however, that if the annual meeting is called for a date that is not within twenty-five days before or after such anniversary date, notice by the shareholder must be so delivered and received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public announcement in a press release or in a filing with the Securities and Exchange Commission of the date of the annual meeting was made, whichever first occurs. Neither any adjournment or postponement of an annual meeting, nor the public announcement thereof, shall commence a new time period for the giving of a shareholder's notice pursuant to the preceding sentence. In addition to being timely, a shareholder's notice must be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is ten business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive office of the Corporation.

A shareholder's notice to the Secretary (whether given pursuant to this Section 1 or Section 2 of Article II) shall include the following, as applicable:

(1) As to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, the shareholder's notice must set forth: (i) the name and address of such shareholder, as they appear on the Corporation's books, of such beneficial owner, if any, and of their respective affiliates or associates or others acting in concert therewith (each a "Proposing Party" and, collectively, the "Proposing Parties"); (ii) (A) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record by each of the Proposing Parties, (B) (x) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, (y) any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the Corporation, or (z) any contract, derivative, swap or other agreement, transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, including where the value of such contract, derivative, swap or other agreement, transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation, in each of clauses (x), (y) and (z) whether or not such instrument, contract or right may be settled in the underlying class or series of shares of the Corporation, through the delivery of cash or other property, or otherwise, and without regard to whether a Proposing Party may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation (any of the foregoing, a "Derivative Instrument") directly or indirectly owned beneficially by any of the Proposing Parties, (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which any of the Proposing Parties has a right to vote any class or series of shares of the Corporation, (D) any agreement, arrangement, understanding, relationship or otherwise, including any repurchase or similar so-called "stock borrowing" agreement or arrangement, engaged in, directly or indirectly, by any of the Proposing Parties, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of the shares of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such Proposing Party with respect to any class or series of the shares of the Corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any class or series of the shares of the Corporation (any of the foregoing, "Short Interests"), (E) any rights to dividends on the shares of the Corporation owned beneficially by any of the Proposing Parties that are separated or separable from the underlying shares of the Corporation, (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership or similar entity in which any of the Proposing Parties is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership or similar entity, (G) any performance related fees (other than an asset-based fee) that any of the Proposing Parties are entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, including without limitation any such interests held by members of such Proposing Party's immediate family sharing the same household, (H) any significant equity interests or any Derivative Instruments or Short Interests in any principal competitor of the Corporation held by any of the Proposing Parties, and (I) any direct or indirect interest of any of the Proposing Parties in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement); and (iii) any other information relating to each of the Proposing Parties that would be required to be disclosed in a proxy statement and form of proxy or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of Directors in a contested election pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations promulgated thereunder;

(2) If the notice relates to any business other than a nomination of a Director or Directors that the shareholder proposes to bring before the meeting, the notice must, in addition to the matters set forth in paragraph (1) above, also set forth: (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the meeting; (ii) the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such proposal or business includes a proposal to amend the By-Laws of the Corporation, the text of the proposed amendment); (iii) any material interest of the shareholder in such business; and (iv) a description of all agreements, arrangements and understandings between such shareholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such shareholder;

(3) As to any person the shareholder proposes to nominate for election or reelection to the Board of Directors, the shareholder's notice must, in addition to the matters set forth in paragraph (1) above, set forth: (i) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of Directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected) and (ii) a description of all direct and indirect compensation and other material financial agreements, arrangements and understandings during the past three years, and any other material relationships, between or among any of the Proposing Parties, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if any of the Proposing Parties were the "registrant" for purposes of such rule and the nominee were a Director or executive officer of such registrant; and

(4) With respect to each person, if any, whom the shareholder proposes to nominate for election or reelection to the Board of Directors, a shareholder's notice must, in addition to the matters set forth in paragraphs (1) and (3) above, also include a completed and signed questionnaire, representation and agreement as set forth below in this Section 1 of these By-Laws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as Director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such nominee. No person shall be eligible for election as a Director of the Corporation unless nominated in accordance with the procedures set forth herein.

To be eligible to be a nominee for election or reelection as a Director of the Corporation, a person nominated by a shareholder for election or reelection to the Board of Directors must deliver (in accordance with the time periods prescribed for delivery of notice under this Section 1 or Section 2 of Article II of these By-Laws, as applicable) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request), and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (a) is not and will not become a party to (i) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a Director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (ii) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a Director of the Corporation, with such person's fiduciary duties as a Director, (b) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement, indemnification or other material financial agreement, arrangement or understanding in connection with service or action as a Director that has not been disclosed therein, (c) will comply with the Company's stock ownership guidelines for directors, if any, and has disclosed therein whether all or any portion of securities of the Corporation owned by such person were purchased with any financial assistance provided by any other person and whether any other person has any interest in such securities, and (d) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a Director of the Corporation, and will comply with all applicable corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation publicly disclosed from time to time.

Notwithstanding anything in these By-Laws to the contrary, no nominations of Directors shall be made, and no other business shall be conducted, at the annual meeting except in accordance with the procedures set forth in this Section 1, and any such business must be a proper matter for shareholder action.

The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made or a proposal for business was not brought properly in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination or business proposal shall be disregarded.

For purposes of these By-Laws, "public announcement" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

Notwithstanding the provisions of these By-Laws, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1 and Section 2 of Article II of these By-Laws; provided, however, that any references in these By-Laws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 1 and Section 2 of Article II of these By-Laws. Nothing in these By-Laws shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act. Subject to Rule 14a-8 under the Exchange Act, nothing in these By-Laws shall be construed to permit any shareholder, or give any shareholder the right, to include or have disseminated or described in the Corporation's proxy statement any nomination of Director or Directors or any other business proposal.

SECTION 2 SPECIAL MEETINGS. Special meetings of the shareholders may be called by the Chairman of the Board, the Chief Executive Officer, the President, the Board of Directors or by a shareholder (or shareholders) holding not less than one-fifth of all the outstanding shares entitled to vote on the matter for which the meeting is called.

SECTION 3 PLACE OF MEETING. The Board of Directors may designate any place, either within or without the State of Illinois, as the place of meeting for any annual meeting or for any special meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Corporation in the State of Illinois and, in lieu of holding an annual meeting of shareholder at a designated place, the Board of Directors may, in its sole discretion, determine that any annual meeting or any special meeting of shareholders may be held solely by means of remote communication.

SECTION 4 NOTICE OF MEETINGS. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting, or in the cases of a merger, consolidation, share exchange, dissolution or sale, lease or exchange of assets not less than twenty nor more than sixty days before the meeting, either personally or by mail, by or at the direction of the Chairman of the Board, the Chief Executive Officer, any President, or the Secretary or the persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his or her address as it appears on the records of the Corporation, with postage thereon prepaid.

SECTION 5 FIXING RECORD DATE. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, to provide written consent to corporate action without a meeting, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the Corporation may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than sixty days and, for a meeting of shareholders, not less than ten days, or in the case of a merger, consolidation, share exchange, dissolution or sale, lease or exchange of assets not less than twenty days, immediately preceding such meeting. If no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the board of directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders.

SECTION 6 VOTING LISTS. The Secretary shall make, or cause to have made, within twenty days after the record date for a meeting of shareholders or at least ten days before every meeting of shareholders, whichever is earlier, a complete list of the shareholders entitled to vote at such meeting, arranged in alphabetical order, with the address of and the number of shares held by each, which list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any shareholder and to copying at the shareholder's expense, at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original share ledger or transfer book, or a duplicate thereof kept in this State, shall be prima facie evidence as to who are the shareholders entitled to examine such list or share ledger or transfer book or to vote at any meeting of shareholders.

SECTION 7 QUORUM. Unless otherwise provided in the Articles of Incorporation, a majority of the outstanding shares of the Corporation, entitled to vote on a matter, present in person or represented by proxy, shall constitute a quorum for consideration of such matters at any meeting of shareholders. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on a matter shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by the IBCA or the Articles of Incorporation, as in effect on the date of such determination. If a quorum is not present or represented at any meeting of shareholders, the Chairman of the meeting, or if so requested by the Chairman, the shareholders present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum shall be present or represented. In addition, the Chairman of any meeting of shareholders shall have the power to adjourn the meeting at the request of the Board of Directors if the Board of Directors determines that adjournment is necessary or appropriate to enable shareholders to fully consider information which the Board of Directors determines has not been made sufficiently or timely available to shareholders or is otherwise in the best interests of shareholders.

SECTION 8 PROXIES. A shareholder may appoint a proxy to vote or otherwise act for the shareholder by delivering a valid appointment to the person so appointed or such person's agent; provided, however, no shareholder may name more than two persons as proxies to attend and to vote the shareholder's shares at any meeting of shareholders. Without limiting the manner in which a shareholder may appoint such a proxy pursuant to these By-Laws, the following shall constitute valid means by which a shareholder may make such an appointment:

- (a) A shareholder may sign a proxy appointment form. The shareholder's signature may be affixed by any reasonable means, including, but not limited to, by facsimile signature.
- (b) A shareholder may transmit or authorize the transmission of a telegram, cablegram, or other means of electronic transmission; provided that any such transmission must either set forth or be submitted with information from which it can be determined that the telegram, cablegram, or other electronic transmission was authorized by the shareholder. If it is determined that the telegram, cablegram, or other electronic transmission is valid, the inspectors or, if there are no inspectors, such other persons making that determination shall specify the information upon which they relied.

No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Each proxy continues in full force and effect until revoked by the person appointing the proxy prior to the vote pursuant thereto, except as otherwise provided by law. Such revocation may be effected by a writing delivered to the Secretary of the Corporation stating that the proxy is revoked or by a subsequent delivery of a valid proxy by, or by the attendance at the meeting and voting in person by the person appointing the proxy. The dates of the proxy shall presumptively determine the order of appointment.

SECTION 9 VOTING OF SHARES. Except as provided in the articles of incorporation, each outstanding share entitled to vote with respect to a matter submitted to a meeting of shareholders shall be entitled to one vote upon such matter and, in all elections for Directors, every shareholder entitled to vote in an election of Directors, shall have the right to vote the number of shares owned by such shareholder for as many persons as there are Directors to be elected; provided that, vacancies on the Board of Directors may be filled as provided in Section 9, Article III of these By-Laws. A shareholder may vote either in person or by proxy. No shareholder of the Corporation shall be entitled to cumulative voting rights in the election of Directors. Unless otherwise provided in the articles of incorporation, the candidates elected shall be those receiving the largest number of votes cast, up to the number of Directors to be elected.

SECTION 10 VOTING OF SHARES BY CERTAIN HOLDERS. Shares of this Corporation held by the Corporation in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares entitled to vote at any given time.

Shares registered in the name of another corporation, domestic or foreign, may be voted by any officer, agent, proxy or other legal representative authorized to vote such shares under the law of incorporation of such corporation.

Shares registered in the name of a deceased person, a minor ward or a person under legal disability may be voted by his or her administrator, executor, or court appointed guardian, either in person or by proxy without a transfer of such shares into the name of such administrator, executor, or court appointed guardian. Shares registered in the name of a trustee may be voted by him or her, either in person or by proxy.

Shares registered in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his or her name if authority so to do is contained in an appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

SECTION 11 VOTING BY BALLOT. Voting on any question or in any election may be viva voce unless the presiding officer shall order that voting be by ballot.

SECTION 12 INSPECTORS OF ELECTION. The Board of Directors in advance of any meeting of shareholders may appoint inspectors to act at such meeting or any adjournment thereof. If inspectors of election are not so appointed, the officer or person acting as chairman at any such meeting may, and on the request of any shareholder or his proxy, shall make such appointment. In case any person appointed as inspector shall fail to appear or to act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by the officer or person acting as chairman.

Such inspectors shall ascertain and report the number of shares represented at the meeting, based upon their determination of the validity and effect of proxies; count all votes and report the results; and do such other acts as are proper to conduct the election and voting with impartiality and fairness to all the shareholders.

Each report of an inspector shall be in writing and signed by him or her or by a majority of them if there be more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be prima facie evidence thereof.

SECTION 13 SHAREHOLDER ACTION BY WRITTEN CONSENT. Unless otherwise provided by law or by the Articles of Incorporation, any action required to be taken at any meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting and without a vote if a consent in writing, setting forth the action so taken, is signed (a) by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voting or (b) by all of the shareholders entitled to vote with respect to the subject matter thereof. If such consent is signed by less than all the shareholders entitled to vote, then such consent shall become effective only if at least five (5) days prior to the execution of consent a notice in writing is delivered to all the shareholders entitled to vote with respect to the subject matter thereof and, after the effective date of the consent, prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be delivered in writing to those shareholders who have not consented in writing.

In the case of action to be taken by a shareholder or shareholders by written consent, no written consent shall be effective to take the action referred to therein unless written consents signed by a sufficient number of shareholders to take such action are delivered to and received by the Corporation in accordance with this Section within sixty days of the record date for taking such action by written consent, or if no such record date has been set, the date the earliest dated written consent was received by the Corporation in accordance with this Section.

Every written consent shall be signed by one or more persons who as of the record date are shareholders of record on such record date, shall bear the date of signature of each such shareholder, and shall set forth the name and address, as they appear in the Corporation's books, of each shareholder signing such consent and the class and number of shares of the Corporation which are owned of record and beneficially by each such shareholder and shall be delivered to and received by the Secretary of the Corporation at the Corporation's principal office by hand, electronic mail, facsimile or by certified or registered mail, return receipt requested.

**ARTICLE III
DIRECTORS**

SECTION 1 GENERAL POWERS. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors.

SECTION 2 NUMBER, TENURE AND QUALIFICATIONS. The number of Directors of the Corporation shall be seven (7). The Directors shall be divided into three classes by resolution of the Board which shall be designated Class I, Class II and Class III, respectively, among which the total number of Directors shall be apportioned as nearly equally as possible. The initial Class I Directors shall initially serve for a term expiring at the first annual meeting of shareholders after their election (i.e. the Corporation's 2023 Annual Meeting of Shareholders). The initial Class II Directors shall initially serve for a term expiring at the second annual meeting of shareholders after their election (i.e. the Corporation's 2024 Annual Meeting of Shareholders). The initial Class III Directors shall initially serve for a term expiring at the third annual meeting of shareholders after their election (i.e. the Corporation's 2025 Annual Meeting of Shareholders). At each annual meeting of shareholders of the Company, Directors elected to succeed those Directors whose terms expire at such annual meeting shall be elected for a term of office to expire at the third annual meeting of shareholders of the Corporation following their election. Despite the expiration of a Director's term, he or she shall continue to serve until the next meeting of shareholders at which Directors are elected. Directors need not be residents of Illinois or shareholders of the Corporation.

SECTION 3 REGULAR MEETINGS. A regular annual meeting of the Board of Directors shall be held for the election of officers and such other business, without notice other than this By-Law, immediately after, and at the same place as, the annual meeting of shareholders. The board of directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

SECTION 4 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the Chief Executive Officer, the President, or of any four Directors. The persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Illinois, as the place for holding any special meeting of the Board of Directors.

SECTION 5 NOTICE. Notice of any special meeting shall be given: (i) at least one day prior thereto if the notice is given personally or by an electronic transmission, (ii) at least two business days prior thereto if the notice is given by having it delivered by a third party entity that provides delivery services in the ordinary course of business and guarantees delivery of the notice to the Director no later than the following business day, and (iii) at least seven days prior thereto if the notice is given by mail. For this purpose, the term "electronic transmission" may include, but shall not be limited to, facsimile or other electronic means. Notice shall be delivered to the Director's business address and/or telephone number and shall be deemed given upon electronic transmission, upon delivery to the third party delivery service, or upon being deposited in the United States mail with postage thereon prepaid. Any Director may waive notice of any meeting by signing a written waiver of notice either before or after the meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need to be specified in the notice or waiver of notice of such meeting.

SECTION 6 QUORUM. A majority of the number of Directors fixed by these By-Laws shall constitute a quorum for transaction of business at any meeting of the Board of Directors; provided, that if less than a majority of such number of Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

SECTION 7 MANNER OF VOTING. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 8 INFORMAL ACTION BY DIRECTORS. Any action required to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors or a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof, or by all the members of such committee, as the case may be.

The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more Directors. All the approvals evidencing the consent shall be delivered to the Secretary of the Corporation to be filed in the corporate records. The action taken shall be effective when all the Directors have approved the consent unless the consent specifies a different effective date.

Any such consent signed by all the Directors or all the members of a committee shall have the same effect as a unanimous vote.

SECTION 9 VACANCIES. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors may be filled by election at an annual meeting or at a special meeting of shareholders called for that purpose. A Director elected to fill a vacancy shall serve until the next annual meeting of shareholders. A majority of Directors then in office may also fill one or more vacancies arising between meetings of shareholders by reason of an increase in the number of Directors or otherwise, and any Director so selected shall serve until the next annual meeting of shareholders, provided that at no time may the number of Directors selected to fill vacancies in this manner during any interim period between meetings of shareholders exceed 33-1/3 percent of the total membership of the Board of Directors.

SECTION 10 RESIGNATION OR REMOVAL OF DIRECTORS. A director may resign at any time upon written notice to the Board of Directors, its Chairman, if any, or the President or Secretary of the corporation. A resignation shall be effective when notice is given unless the notice specifies a future date. No acceptance of the resignation is required. The pending vacancy resulting from a prospective resignation may be filled before the effective date, but the successor shall not take office until the effective date. One or more of the directors may be removed, with or without cause, at a meeting of shareholders, by the affirmative vote of the holders of a majority of the outstanding shares then entitled to vote at an election of directors; provided, however, that no director shall be removed at a meeting of shareholders unless the notice of such meeting shall state that a purpose of the meeting is to vote upon the removal of one or more directors named in the notice, and only the named director or directors may be removed at such meeting. Any director may be removed from office in accordance with the IBCA.

SECTION 11 PRESUMPTION OF ASSENT. A Director of the Corporation who is present at a meeting of the Board of Directors or any committee thereof at which action on any corporate matter is taken is conclusively presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless he or she files his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or forwards such dissent by registered or certified mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

SECTION 12 ADMINISTRATION OF THE MEETING. The Chairman of the Board shall preside over each meeting of the Board of Directors. If the Chairman of the Board is absent, a Chairman chosen at the meeting shall preside over the meeting of the Board of Directors.

SECTION 13 TELEPHONE CONFERENCE MEETINGS. Unless otherwise restricted by the Articles of Incorporation or these By-laws, members of the Board of Directors, or of any committee designated by the Board of Directors, may participate in and act at any meeting of the Board of Directors or any committee using a conference telephone or other communications equipment that allows all persons participating in the meeting to hear each other. Participation in such a manner constitutes attendance and presence in person at the meeting.

**ARTICLE IV
COMMITTEES**

SECTION 1 APPOINTMENT. A majority of the Board of Directors may create one or more committees and appoint members of the Board to serve on the committee or committees. Each committee shall have one or more members, who serve at the pleasure of the Board. The Board shall designate one member of each committee to be chairman of the committee. The Board shall designate a secretary of each committee who may be, but need not be, a member of the committee or the Board.

SECTION 2 COMMITTEE MEETINGS. A majority of any committee shall constitute a quorum and the act of the majority of the members of a committee present at a meeting at which a quorum is present shall be the act of such committee. A committee may act by unanimous consent in writing without a meeting. Committee meetings may be called by the Chairman of the Board, the chairman of the committee, or any two of the committee's members. The time and place of committee meetings shall be designated in the notice of such meeting. Notice of each committee meeting shall be given to each committee member. Each Committee shall keep minutes of its proceedings.

SECTION 3 AUDIT COMMITTEE. The Board of Directors shall appoint an Audit Committee. The composition of the members and the duties of such committee shall be as set forth in the Audit Committee Charter. The Audit Committee shall appoint annually a firm of independent public accountants as auditors of the Corporation. Should the Audit Committee for any reason determine that such appointment be terminated, the Audit Committee shall appoint another firm of independent public accountants to act as auditors of the Corporation.

SECTION 4 COMPENSATION COMMITTEE. The Board of Directors shall appoint a Compensation Committee. The composition of the members and the duties of such committee shall be as set forth in the Compensation Committee Charter.

SECTION 5 NOMINATIONS AND GOVERNANCE COMMITTEE. The Board of Directors shall appoint a Nominations and Governance Committee. The composition of the members and the duties of such committee shall be as set forth in the Nominations and Governance Committee Charter.

**ARTICLE V
OFFICERS**

SECTION 1 NUMBER. The Officers of the Corporation shall be the Chairman of the Board, the Chief Executive Officer, one or more Presidents, the Treasurer, one or more Vice Presidents, a Secretary, and such other officers as the Board of Directors may elect or the Chairman of the Board may appoint. Any two offices may be held by the same person.

SECTION 2 ELECTION AND TERM OF OFFICE. The Board of Directors may elect any Officer.

The Officers of the Corporation shall be elected or appointed annually. Each year, the Board of Directors shall elect Officers at the first meeting of the Board of Directors held after the annual meeting of shareholders. If the Board of Directors does not elect Officers at such meeting, such election shall be held as soon thereafter as conveniently may be.

Vacancies or new offices may be filled at any time as set forth in Section 4 of this Article V.

Each Officer shall hold office until his or her successor shall have been duly elected or appointed and shall have qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3 RESIGNATION AND REMOVAL OF OFFICERS. Any Officer may resign at any time upon written notice to the Corporation directed to the Board of Directors or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein and no acceptance of such resignation shall be necessary to make it effective.

Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby.

SECTION 4 VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5 CHAIRMAN OF THE BOARD OF DIRECTORS The chairman of the board of directors, if a chairman of the board of directors has been elected and is serving, shall preside at all meetings of the shareholders and board of directors and shall perform such other duties as the board of directors may from time to time prescribe.

SECTION 6 PRESIDENT. In the event that a chairman has not been elected, then all of the duties of the chairman shall be performed by the president. The president shall be the chief executive officer of the corporation. In the absence of the chairman, the president shall preside at all meetings of the shareholders and of the board of directors. The president may sign, under or without the seal of the corporation, and either individually or with the secretary, an assistant secretary or any other proper officer of the corporation thereunto duly authorized by the board of directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts or other instruments which the board of directors has authorized to be executed except in cases where the execution thereof shall be expressly delegated by the board of directors or by these by-laws to some other officer or agent of the corporation or shall be required by law to be otherwise executed. In general, the president shall see that all orders and resolutions of the board are carried into effect, shall perform all duties incident to and shall have the general powers of supervision and management usually vested in the office of president and chief executive officer of a corporation, and shall perform such other duties as may be prescribed from time to time by the board of directors.

SECTION 7 VICE PRESIDENTS. In the absence of the president or in the event of his inability or refusal to act, the vice president (or in the event there be more than one vice president, the vice presidents in the order designated by the board of directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, including, without limitation, the duties of the chairman if and as assumed by the president as a result of the absence of the chairman or his inability or refusal to act, and the vice president, when so acting, shall have all of the powers and be subject to all the restrictions upon the president. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation or a different mode of execution is expressly prescribed by the board of directors or these bylaws, the vice president may execute for the corporation certificates for its shares and any contracts, deeds, mortgages, bonds or other instruments that the board of directors has authorized be executed. The vice president may accomplish such execution either under or without the seal of the corporation and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the board of directors, according to the requirements of the form of the instrument. Each vice president shall perform such other duties as from time to time may be assigned to him by the president or the board of directors.

SECTION 8 SECRETARY. The secretary shall: (a) keep records of corporate action, including the minutes of meetings of the shareholders and the board of directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all certificates for shares prior to the issuance thereof and to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these by-laws; (d) keep a register of the post office address of such shareholder which shall be furnished to the secretary by such shareholder; (e) sign, with the chairman, the president or a vice president, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the board of directors; (f) have general charge of the stock transfer books of the corporation; and (g) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the chairman, the president or the board of directors.

SECTION 9 TREASURER. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the board of directors shall determine. The treasurer shall be the chief financial officer of the corporation. The treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation, receive and give receipts for money due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these by-laws. The treasurer shall in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to the treasurer by the president or the board of directors.

SECTION 10 GENERAL POWERS OF OFFICERS. The Chairman of the Board, the President and , the Treasurer, may sign without countersignature any deeds, mortgages, bonds, contracts, reports to public agencies, or other instruments whether or not the Board of Directors has expressly authorized execution of such instruments, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws solely to some other Officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed. Any other Officer of this Corporation may sign contracts, reports to public agencies, or other instruments which are in the regular course of business and within the scope of his or her authority, except where signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other Officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed.

**ARTICLE VI
CERTIFICATES FOR SHARES, UNCERTIFICATED SHARES
AND THEIR TRANSFER**

SECTION 1 CERTIFICATES FOR SHARES AND UNCERTIFICATED SHARES. The issued shares of the Corporation shall be represented by certificates or shall be uncertificated shares. Certificates representing shares of the Corporation shall be in such form as may be determined by the Board of Directors. Such certificates shall be signed by any one of the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, or the President, and shall be countersigned by the Secretary or an Assistant Secretary and shall be sealed with the seal, or a facsimile of the seal, of the Corporation. If a certificate is countersigned by a Transfer Agent or Registrar, other than the Corporation itself or its employee, any other signatures or countersignature on the certificate may be facsimiles. In case any Officer of the Corporation, or any officer or employee of the Transfer Agent or Registrar who has signed or whose facsimile signature has been placed upon such certificate ceases to be an Officer of the Corporation, or an officer or employee of the Transfer Agent or Registrar before such certificate is issued, the certificate may be issued by the Corporation with the same effect as if the Officer of the Corporation, or the officer or employee of the Transfer Agent or Registrar had not ceased to be such at the date of its issue. Each certificate representing shares shall state: that the Corporation is organized under the laws of the State of Illinois; the name of the person to whom issued; the number and class of shares; and the designation of the series, if any, which such certificate represents. Each certificate shall be consecutively numbered or otherwise identified. The Board of Directors may provide by resolution that some or all of any or all classes or series of the Corporation's shares shall be uncertificated shares, provided that such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this section. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated shares and rights and obligations of the holders of certificates representing shares of the same class and series shall be identical. The name of the person to whom the shares are issued, with the number of shares and date of issue, shall be entered on the books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled, and no new certificate or uncertificated shares shall be issued in replacement thereof until the former certificate for a like number of shares shall have been surrendered and canceled, except in the case of lost, destroyed or mutilated certificates.

SECTION 2 TRANSFER AGENT AND REGISTRAR. The Board of Directors may from time to time appoint such Transfer Agents and Registrars in such locations as it shall determine, and may, in its discretion, appoint a single entity to act in the capacity of both Transfer Agent and Registrar in any one location.

SECTION 3 TRANSFER OF SHARES. Transfers of shares of the Corporation shall be made only on the books of the Corporation at the request of the holder of record thereof or of his attorney, lawfully constituted in writing, and on surrender for cancellation of the certificate for such shares, unless such shares are uncertificated. The person in whose name shares stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.

SECTION 4 LOST, DESTROYED OR MUTILATED CERTIFICATES. In case of lost, destroyed or mutilated certificates, duplicate certificates shall be issued to the person claiming the loss, destruction or mutilation, provided:

- (a) that the claimant furnishes an affidavit stating the facts of such loss, destruction or mutilation so far as known to him or her and further stating that the affidavit is made to induce the Corporation to issue a duplicate certificate or certificates; and that issuance of the duplicate certificate or certificates is approved:

(i) in a case involving a certificate or certificates for more than 1,000 shares, by the Chairman of the Board, the President, the Treasurer, or the Secretary; or

(ii) in a case involving a certificate or certificates for 1,000 shares or less, by the Transfer Agent appointed by the Board of Directors for the transfer of the shares represented by such certificate or certificates;

in each case upon receipt of a bond, with one or more sureties, in the amount to be determined by the party giving such approval; or

- (b) that issuance of the said duplicate certificate or certificates is approved by the Board of Directors upon such terms and conditions as it shall determine.

ARTICLE VII FISCAL YEAR

The fiscal year of the corporation shall be determined by the board of directors.

ARTICLE VIII VOTING SHARES OR INTERESTS IN OTHER CORPORATIONS

The Chairman of the Board, the President or the Treasurer, and each of them, shall have the authority to act for the Corporation by voting any shares or exercising any other interest owned by the Corporation in any other corporation or other business association, including wholly or partially owned subsidiaries of the Corporation, such authority to include, but not be limited to, power to attend any meeting of any such corporation or other business association, to vote shares in the election of directors and upon any other matter coming before any such meeting, to waive notice of any such meeting and to consent to the holding thereof without notice, and to appoint a proxy or proxies to represent the Corporation at any such meeting with all the powers that the said Officer would have under this section if personally present.

ARTICLE IX DISTRIBUTIONS TO SHAREHOLDERS

The Board of Directors may authorize, and the Corporation may make, distributions to its shareholders, subject to any restriction in the Articles of Incorporation and subject also to the limitations prescribed by law.

ARTICLE X SEAL

The Corporate Seal of the Corporation shall be in the form designated by the Board of Directors and shall have inscribed thereon the name of the Corporation and the words "an Illinois Corporation."

ARTICLE XI WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of these By-Laws or under the provisions of the Articles of Incorporation or under the provisions of the IBCA, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

**ARTICLE XII
AMENDMENTS**

These By-Laws may be made, altered, amended or repealed in whole or in part, by the shareholders or by the Board of Directors at any meeting duly held in accordance with these By-Laws, provided that notice of the meeting includes notice of the proposed amendments, alterations, or repeal.

**ARTICLE XIII
INDEMNIFICATION**

This Article XIII shall be deemed to grant to each person who, at any time that Article IV of the Articles of Incorporation is in effect, serves or agrees to serve in any capacity which entitles such person to indemnification under Article IV of the Articles of Incorporation, rights against the Corporation to enforce the provisions of Article IV of the Articles of Incorporation. Such rights are contract rights between the Corporation and each such person to whom they are extended that vest at the commencement of such person's service to or at the request of the Corporation. Any repeal, amendment or modification of Article IV of the Articles of Incorporation, or any repeal or modification of the IBCA or any other applicable law, that in any way diminishes or adversely affects any such rights shall be prospective only and shall not in any way diminish or adversely affect any such rights with respect to any actual or alleged state of facts, occurrence, action or omission occurring prior to the time of such amendment or modification, or any action, suit or proceeding previously or thereafter brought or threatened based in whole or in part upon any such actual or alleged state of facts, occurrence, action or omission, and all of such rights shall continue as to any such person who has ceased to be a director, officer, employee or agent of the Corporation or ceased to serve at the Corporation's request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, as described herein, and shall inure to the benefit of such person's heirs, executors and administrators.

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is made and effective as of April 27, 2023 (the "Effective Date"), between GEE Group Inc., an Illinois corporation, whose principal place of business is 7751 Belfort Parkway Suite 150 Jacksonville, Florida 32256 (the "Company" or "Employer") and Derek Dewan, an individual residing in Jacksonville, Florida. ("Executive").

RECITALS

A. The Employer is an Illinois corporation and is principally engaged in the business of providing contract staffing services, permanent placement personnel and other human resources solutions (the "Business").

B. Executive is currently employed by the Company pursuant to a certain Executive Employment Agreement effective as of August 12, 2016, as thereafter amended (the "Prior Agreement").

C. The Employer desires to continue to employ Executive and Executive desires to continue to be employed by the Employer pursuant to the terms of this Agreement, which shall supersede the Prior Agreement effective on the Effective Date.

NOW, THEREFORE, in consideration of the mutual promises and agreements and covenants, and subject to the terms and conditions contained in this Agreement, Employer and Executive, intending to be legally bound, hereby agree as follows:

1. **Employment.** Employer shall continue to employ Executive as President and Chief Executive Officer, and Executive hereby accepts such continued employment by Employer, in accordance with and subject to the terms and conditions of this Agreement.

2. **Duties and Authority.** During the Employment Period (as hereinafter defined), Executive shall occupy the position of President and Chief Executive Officer and report directly to the Employer's Board of Directors (the "Board"). As President and Chief Executive Officer, Executive shall be in charge of the operations of Employer and shall have full authority and responsibility, subject to the general direction and control of the Board, for formulating policies and administering the affairs of Employer in all respects, and otherwise performing such duties as are customarily performed by the President and Chief Executive Officer of similar size and structure to Employer. Executive agrees to devote his full time, attention and best efforts to the performance of his duties hereunder; provided, however, it shall not be considered a violation of the foregoing for the Executive to serve as an executive of or on corporate, industry, civic, or charitable boards or committees, so long as such activities do not materially interfere with the performance of the Executive's responsibilities as an employee of Employer in accordance with this Agreement. Executive, at his discretion, may work in the Company's corporate or other offices, remotely or some combination of both.

3. **Initial Term; Employment Period.** The initial term of employment shall begin on the Effective Date and end five years immediately thereafter (the "Initial Term"). The term of this Agreement shall be extended automatically for one year on the fifth year anniversary of the Effective Date and each annual anniversary thereof (the "Extension Date") unless, and until, at least 90 days prior to the last day of the Initial Term or applicable Extension Date, as applicable, either the Employer or the Executive provides written notice to the other party that this Agreement is not to be extended. The Initial Term together with all one-year extensions of the term of this Agreement, if any, shall collectively be referred to herein as the "Term." For purposes of this Agreement, the period beginning on the Effective Date and ending on the Date of Termination (as hereinafter defined) shall be referred to herein as the "Employment Period."

4. **Compensation.** During the Employment Period which is in the Term, Executive shall receive the following compensation:

(a) **Base Salary.** A base annual salary of \$518,000, payable in accordance with the Employer's standard practice for other senior executives. Executive's base salary shall be subject to annual review by the Board's Compensation Committee for discretionary periodic increases (but not decreases) in accordance with the Employer's compensation policies. References to "Base Salary" in this Agreement shall be to the base salary set forth in this Paragraph 4(a) and shall include any increases to such base salary.

(b) Incentive Compensation. Executive shall be eligible for discretionary or formula-based bonuses as determined by the Board's Compensation Committee and be eligible to participate in one or more compensation plan(s) of Employer ("Incentive Plans"), subject to the terms and conditions thereof. The Board's Compensation Committee shall establish a target annual cash bonus opportunity for Executive (a "Target Cash Bonus") from time-to-time. The Target Cash Bonus for a given fiscal year as of the Effective Date shall be set so that Employee may earn up to 150% of the Base Salary as of the end of such fiscal year, is payable in cash within two and one-half months after the end of such fiscal year and shall not be set at a lower percentage during the Term.

5. Equity Incentives.

(a) Equity Incentives - General. Stock options of Employer and other forms of equity compensation such as restricted stock, stock appreciation rights or phantom stock (collectively, "Equity Incentives") may be granted to executive from time to time at the discretion of the Compensation Committee of the Board of Directors (the "Compensation Committee").

(b) Investment Representation. Executive agrees that he will not sell or otherwise dispose of all or any part of the common stock of Employer acquired as part of the Equity Incentives unless he shall have received an opinion of counsel, in form and substance satisfactory to counsel for Employer (each party to bear the expense of its own counsel), to the effect that registration of the shares to be sold or disposed of is not required under the Securities Act of 1933, as amended (the "Act"), or unless there shall be in effect a registration statement under said Act with respect to the proposed sale or disposition of the shares to be sold or disposed of, and Executive shall have complied with all applicable provisions of the Act and the rules and regulations thereunder.

(c) Registration. If stock options for common stock, restricted stock or other forms of equity compensation of Employer are granted by the Compensation Committee to Executive as Equity Incentives, then it is acknowledged that the grants by the Compensation Committee will require that Executive be provided with the right to require Employer, as soon as reasonably practicable, to register Executive's shares upon vesting and exercise of the stock options or vesting of the restricted stock or other forms of equity compensation pursuant to the appropriate form of registration statement under the Act and to thereafter maintain such registration statement's effectiveness at all required times.

(d) Exercise. Any stock options for common stock, restricted stock or other forms of equity compensation granted by the Compensation Committee after the effective date of this Agreement as Equity Incentives, shall include the following terms and conditions. These terms and conditions are:

(i) exercisability of vested options (including those vested under Paragraph 5(d)(ii) below) for at least 2 years following the Executive's termination of employment with the Employer or if sooner, 10 years from date of grant of the option;

(ii) full vesting of options, restricted stock or other forms of equity compensation upon a Change in Control (as hereafter defined) or termination of the Executive's employment with the Employer for reasons other than (A) by the Employer for Cause (as hereafter defined), or (B) by the Executive without Good Reason (as hereafter defined); and

(iii) exercisability of options, only to the extent vested on the date of the Executive's termination of employment with the Employer, restricted stock and other forms of equity compensation vested in accordance with the stated vesting schedule in the event of termination (A) by the Employer for Cause, or (B) by the Executive without Good Reason.

6. Benefits. Executive shall receive the following additional benefits at no cost to the Executive:

(a) Life Insurance. During the Employment Period, if requested by Executive in writing, Employer shall reimburse Executive up to \$15,000 annually for the cost of life insurance, covering Executive's life.

(b) Disability Insurance. During the Employment Period, if requested by Executive in writing, Employer shall reimburse Executive for up to \$15,000 annually for Executive's cost of disability insurance covering Executive.

(c) Medical, Dental and Hospital Insurance; General. During the Employment Period, if requested by Executive during the Employment Period, Employer shall include Executive, his spouse and his dependents in any group medical, dental and hospital or similar plan of Employer in existence for senior executives from time to time. Employer will purchase individual medical, dental and hospital insurance for Executive, his spouse and his dependents if group coverage is not in existence or is unavailable.

(d) Post-Employment Medical, Dental and Hospital. If requested by Executive, post-employment medical, dental and hospital insurance, either as group coverage or an individual policy, will be provided at Employer's expense at the same level as other senior executive officers for Executive, and Executive's spouse and dependents.

(e) Vacation. Executive shall be entitled to six (6) weeks of paid vacation during each calendar year and time off for all holidays as designated by the Employer. Unused vacation time will be paid to Executive at calendar year end.

(f) Automobile. Executive shall receive on a monthly basis an automobile allowance in the amount of \$1,500 per month, which may be increased at the sole discretion of the Compensation Committee.

(g) Club Dues. Employer shall pay or reimburse Executive for Executive's membership fees and club dues (the maximum payment or reimbursement for all clubs not to exceed the total of \$10,000 per annum). Upon Compensation Committee approval, Employer shall pay for such other club dues and membership fees in excess of such amount for Executive as are reasonable and customary from time to time.

(h) Communications and Other Equipment. Employer shall provide Executive with, and shall pay all costs of operating and maintaining, cellular telephones, pagers, telephone, cable, tablets, notebook and desk top computers, facsimile machines, hand-held organizers/PDAs, and such other equipment necessary for Executive to perform his duties at Executive's offices, residences or remotely as deemed necessary by Executive.

(i) Expense Reimbursement. Subject to compliance with Employer's business expense reimbursement policies, Executive shall be entitled to reimbursement for all reasonable business expenses, including meals, travel, entertainment, cellular or land-line telephone, internet, cable, satellite, subscriptions for industry, business and trade periodicals, business society and professional dues and memberships, licenses, certifications and such other reasonable expenses incurred by Executive in the performance of his duties. Executive will maintain records and written receipts as required by federal and state tax authorities to substantiate expenses as an income tax deduction for Employer and shall submit vouchers for expenses for which reimbursement is made. Credit card receipts (American Express, etc.) and other receipts are acceptable along with other corroborative evidence.

(j) Other Benefits. To the extent not otherwise provided herein (it being the intent not to duplicate benefits), Employer shall provide Executive with no less than the same type and level of other benefits provided by the Employer from time to time to its other executive officers as a group and Board members as a group if these are materially higher than what has been provided to Executive. These include, but are not limited to, life and health insurance benefits, participation in pension and profit sharing plans, stock option and stock purchase plans, restricted stock grants, stock appreciation rights, and stock warrants.

7. Non-Compete and Non-Solicitation; Confidentiality. In consideration of the employment of Executive by Employer, Executive agrees as follows:

(a) Non-Compete and Non-Solicitation. During the Employment Period and for a period of one (1) year after the Date of Termination, Executive will not, directly or indirectly, within a fifty (50) mile radius of any office of Employer (or a consolidated subsidiary) in existence on the Date of Termination, own, manage, be employed by, work for, consult for, be an officer or director of, advise, represent, engage in or carry on any business which competes with the Business of the Employer at that time. During the Employment Period and for a period of one (1) year after the Date of Termination, Executive will not, directly or indirectly, solicit or induce, or attempt to solicit or induce, any employee of the Employer (or a consolidated subsidiary) to leave the Employer (or a consolidated subsidiary) for any reason whatsoever, or solicit the services of any employee of the Employer (or a consolidated subsidiary). The term "consolidated subsidiary" means an entity that is (i) wholly owned by Employer or (ii) is partially owned by Employer such that, for generally accepted accounting principles, its financials are Consolidated in the consolidated financials of Employer.

(b) Non-Disclosure of Information. Executive will not at any time, during or after the Term, in any fashion, form, or manner, either directly or indirectly, divulge, disclose, or communicate to any person, firm, or corporation, in any manner whatsoever, any information of any kind, nature, or description concerning any matters affecting or relating to the Business of the Employer, including, but not limited to, the names of any of its customers or prospective customers or any other information concerning the Business of the Employer, its manner of operation, its plans, its vendors, its suppliers, its advertising, its marketing, its methods, its practices, or any other information of any kind, nature, or description, without regard to whether any or all of the foregoing matters would otherwise be deemed confidential, material, or important; provided, however, that this provision shall not prevent disclosures by Executive to the extent such disclosures are (i) believed by the Executive, in good faith and acting reasonably, to be in the best interest of the Employer, (ii) of information that is public at the time of the disclosure (other than as a result of the Executive's violation of this Paragraph 7(b)), or (iii) as required by law or legal process (and, if the Executive is so required to disclose, Executive shall provide the Employer notice of such to allow the Company the opportunity to contest such disclosure).

8. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. Additionally, if the Employer determines in good faith that the Executive has incurred a Disability (as hereinafter defined), it may give the Executive written notice of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Employer shall terminate effective on the later of (i) the date in the notice, (ii) the day after receipt of such notice by the Executive, or (iii) the date the Disability has been considered to occur (the "Disability Effective Date"), provided that, prior to such date, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" means a disability that entitles Executive to benefits under the applicable Company long-term disability plan covering Executive and that Executive shall have been unable, due to physical or mental incapacity, to substantially perform Executive's duties and responsibilities hereunder for 180 days out of any 365 day period or for 120 consecutive days and such incapacity will, in the opinion of a qualified physician, be permanent and continuous during the remainder of Executive's life.

(b) Cause. The Employer may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean (i) a material breach by the Executive of the Executive's obligations under Paragraph 2 above (other than as a result of temporary incapacity due to physical or mental illness, or Disability) which is demonstrably willful and deliberate on the Executive's part, which is committed in bad faith or without reasonable belief that such breach is in the best interests of the Employer and which is not remedied in a reasonable period of time after receipt of written notice from the Employer specifying such breach; (ii) the conviction of the Executive of a capital felony; or (iii) a material breach of the Executive's fiduciary duty to the Employer or a willful and deliberate violation in the course of performing his duties for the Employer of relevant laws, rules or regulations (other than traffic violations or other minor offenses) which causes substantial loss, material damage or significant injury to the property or reputation of the Company. (No act or failure to act on the Executive's part shall be considered willful unless done or omitted in bad faith and without reasonable belief that the action or omission was in the best interest of the Employer.) Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered a copy of a resolution duly adopted by the affirmative vote of at least eighty percent (80%) of the membership of the Board (deemed to not include Executive should he be a member of the Board as of such time) at a meeting of the Board called and held for such purpose (after reasonable notice and an opportunity to be remedied and cured as provided herein and/or to be heard by the Board), finding that, in the good faith opinion of the Board, Executive was culpable of the act or omission giving rise to Cause and specifying the particulars in detail. For the avoidance of doubt, Executive shall be provided a reasonable period of time to remedy or cure the matters identified by Employer as constituting Cause, as provided herein, before any resolution alleging Cause on the part of Executive is considered by the Board for adoption.

(c) Good Reason. Executive's employment may be terminated by the Executive at any time for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to Executive of any duties inconsistent in a material respect with Executive's position (including status, offices, titles and reporting requirement that executive reports directly to the Board), authority, duties or responsibilities as contemplated by Paragraph 2 above or any other action by the Employer which results in a diminution in such position, authority, duties or responsibilities in a material respect (including the Executive no longer being the President and Chief Executive Officer of the publicly held Employer (or a publicly held company successor) that is not consented to by Executive;

(ii) Executive is not nominated as Chairman of the Board or elected as Chairman of the Board for any reason (in both instances, other than at Executive's written request to not be nominated or elected); does not continue as Chairman of the Board other than through Executive's voluntary written termination as Chairman, except due to the failure of a super majority of the Board of Directors to support any of the Chairman's proposed business initiatives or policies for Employer (super majority to be more than eighty percent (80%) in number of the Board of Director members); or is terminated as Chairman of the Board without "cause"; or

(iii) ceases to be a member of the Board of employer (continuing as a public company or the Board of Directors of a publicly held successor to the Company), unless consented to by Executive;

(iv) a reduction in, or failure to pay, Executive's Base Salary, Target Cash Bonus, Target Equity Incentive Award, or any other cash incentive or equity compensation for which Executive is eligible, or any of the benefits enumerated herein, which is more than *de minimis*;

(v) any failure by the Employer to comply with any of the provisions of this Agreement or any other written equity or compensation agreement in a material respect whether by any action or inaction;

(vi) the Employer's requiring Executive to be based at any office or location other than Jacksonville, Florida;

(vii) the Employer's providing notice to Executive pursuant to Paragraph 3 above that the Agreement will not be extended, unless the purpose of such notice is to negotiate the terms of a new agreement between the Employer and the Executive and the notice provides that the Agreement continues in effect until such new agreement is entered into; or

(viii) a Change of Control; for purposes of this Agreement, "Change in Control" shall mean the occurrence of any of the following events:

(A) one person or entity (or more than one person or entity acting as a "group" (as that term is defined in Section 409A-3(i)(5)(v)(B) of the Treasury Regulations) acquires legal or beneficial ownership of stock of the Employer that, together with the stock held legally or beneficially by such person or group, constitutes more than 20% of the total fair market value or total voting power of the stock of such corporation; or

(B) individuals who, as of the date of the signing of this Agreement, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a two-thirds majority of such Board; provided that any individual who becomes a director of the Company subsequent to the date of the signing of this Agreement, whose election, or nomination for election by the Company stockholders, was approved by the vote of at least a two-thirds majority of the directors then in office shall be deemed a member of the Incumbent Board; or

(C) an agreement for the sale of a substantial portion (twenty percent (20%) or more) of the Employer's assets within a twelve (12) month period or a partial or complete liquidation or dissolution of the Employer; or

(D) the merger of the Employer into or consolidation with another entity and, after giving effect to such merger or consolidation, the holders of stock of the Employer immediately prior to such merger or consolidation own less than 51% of the stock of the surviving entity after such merger or consolidation.

Notwithstanding Paragraph 8(c)(viii)(A) above, the Executive shall not have Good Reason if Executive is involved in a “group” (as defined above) which acquires a substantial portion of the Company’s assets or stock. For purposes of this Paragraph 8(c), any good faith reasonable determination of “Good Reason” made by the Executive shall be conclusive. However, no such event described hereunder shall constitute Good Reason unless (i) the Executive has given written notice to the Employer specifying the event relied upon for such termination within 30 days after the occurrence of such event; (ii) the Employer has not remedied such within 60 days of receipt of such notice; and (iii) Executive actually terminates Executive’s employment for such uncured Good Reason event, on at least ten (10) days’ prior written notice, within thirty (30) days following the expiration of such sixty (60) day cure period referred to in clause (ii) above. The Employer and the Executive, upon mutual written agreement, may waive any of the foregoing provisions which would otherwise constitute Good Reason.

(d) Notice of Termination. Any termination by the Employer for Cause, or by the Executive for Good Reason, shall be communicated to the other party by Notice of Termination. For purposes of this Agreement, a “Notice of Termination” means a written notice which (i) indicates the specific termination provision in this Agreement relied upon; (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment; and (iii) specifies the Date of Termination (as defined below). Notice of intent to terminate employment for Good Reason must be provided pursuant to Paragraph 8(c) above. The failure by the Executive or the Employer to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Employer hereunder or preclude the Executive or the Employer from asserting such fact or circumstance in enforcing the Executive’s or the Employer’s rights hereunder.

(e) Date of Termination. “Date of Termination” means (i) if the Executive’s employment is terminated by the Employer for Cause, or by the Executive for Good Reason, the date specified in the Notice of Termination as the Date of Termination; (ii) if the Executive’s employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be; and (iii) if the Executive’s employment is terminated by either party other than for death, Disability, Cause or Good Reason, the date set forth in the notice required under Paragraph 8(d) above as the date the termination is to be effective.

9. Obligations of the Employer upon Termination

(a) Upon termination of the Executive’s employment for any reason during the Term, Executive shall be entitled to Base Salary, accrued bonus, accrued equity incentive award, vested incentive and equity compensation, and all benefits and reimbursable expenses through the Date of Termination, and to exercise all vested stock options.

(b) Upon the termination of the Executive’s employment during the Term by the Executive for Good Reason, or by the Employer for any reason other than Cause, Executive shall in addition be entitled to accelerated vesting of all previously unvested restricted stock including the full amount of any unvested performance-based restricted stock awarded that may still be subject to future performance, without regard to such future performance, and stock options and to exercise the options.

(c) Upon the termination of the Executive’s employment during the Term by the Executive for Good Reason, or by the Employer for any reason other than Cause, Executive may require that in lieu of shares of common stock issuable upon the exercise of all stock options, an amount of cash be paid for each option equal to the difference between the quoted closing market price of one share of common stock on the date of termination and the strike price of the stock option. Each stock option will be cancelled as a corresponding cash payment is made. In addition, Executive may require that Employer pay an amount of cash equal to the quoted closing market price of one share of common stock on the date of termination for each share of restricted common stock owned by Executive. The NYSE American quoted closing market price will be utilized for the purposes of this Paragraph 9(c).

(d) In addition, upon the termination of the Executive’s employment during the Term by the Executive for Good Reason, or by the Employer for any reason other than Cause or death, the Executive shall be entitled to receive a lump sum payment equal to (i) three (3) times the sum of (A) Executive’s Base Salary as of the Date of Termination, and (B) the Executive’s maximum target cash bonus opportunity as of the Date of Termination, without regard to achievement of performance targets under any Incentive Plans in place that executive participates in including, without limitation, the maximum Target Cash Bonus opportunity, or, if higher, the largest actual cash bonus amount paid in any of the three years prior to termination; and (C) any other approved bonus arrangement for the year of termination; and (ii) all legal fees and expenses incurred by Executive as a result of such termination, including all such fees and expenses incurred by Executive in contesting or disputing any such termination or in seeking to obtain or enforce any right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Code (as defined in Section 13 below) to any payment or benefit provided under this Agreement. The lump sum payment shall be paid no later than thirty days after the Date of Termination in immediately available United States funds.

10. Indemnification of Executive. The Executive shall be entitled to indemnification and defense by the Employer to the full extent allowed by law, subject to and in accordance with the execution of the Employer's customary indemnification agreement, as established from time to time by the Employer's Board of Directors, to protect the Employer's officers and directors in the ordinary and prudent exercise of their duties to the Employer (the "Indemnification Agreement"), plus the benefits of any insurance coverage that the Employer may purchase or have in effect. To the extent that any such insurance coverage may not be sufficient or applicable, the Executive shall have the right to reimbursement and indemnification by the Employer, in accordance with the Employer's Indemnification Agreement in effect at the time of any relevant loss or claim. Nothing in this Agreement shall be deemed to alter, amend, limit, or vary any of the terms of the Employer's duly approved Indemnification Agreement or its effective date, as modified from time to time within the sole discretion of the Employer's Board of Directors.

11. Mitigation of Damages. Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise. Except as otherwise provided above with respect to certain welfare benefits, the amount of any payment provided for under this Agreement shall not be reduced by any compensation earned by the Executive as the result of self-employment or employment by another employer or otherwise.

12. Tax Effect. If Independent Tax Counsel shall determine that the aggregate payments made and benefits provided to the Executive pursuant to this Agreement and any other payments and benefits provided to the Executive from the Employer, its affiliates and plans which constitute "parachute payments" as defined in Section 280G of the Code (or any successor provision thereto) ("Parachute Payments") would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount (determined by Independent Tax Counsel) such that after payment by the Executive of all taxes (including any Excise Tax) imposed upon the Gross-Up Payment and any interest or penalties imposed with respect to such taxes, the Executive retains from the Gross-Up Payment an amount equal to the Excise Tax imposed upon the payments. For purposes of this Paragraph, "Independent Tax Counsel" shall mean a lawyer, a certified public accountant with a nationally recognized accounting firm, or a compensation consultant with a nationally recognized actuarial and benefits consulting firm with expertise in the area of executive compensation tax law, who shall be selected by the Employer and shall be reasonably acceptable to the Executive, and whose fees and disbursements shall be paid by the Employer.

(a) If Independent Tax Counsel shall determine that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion that the Executive has substantial authority not to report any Excise Tax on the Executive's Federal income tax return. If the Executive is subsequently required to make a payment of any Excise Tax, then the Independent Tax Counsel shall determine the amount of such additional payment ("Gross-Up Underpayment"), and any such Gross-Up Underpayment shall be promptly paid by the Employer to or for the benefit of the Executive. The fees and disbursements of the Independent Tax Counsel shall be paid by the Employer.

(b) The Executive shall notify the Employer in writing within 15 days of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of a Gross-Up Payment. If the Employer notifies the Executive in writing that it desires to contest such claim and that it will bear the costs and provide the indemnification as required by this sentence, the Executive shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim;

(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer;

(iii) cooperate with the Employer in good faith in order to effectively contest such claim; and

(iv) permit the Employer to participate in any proceedings relating to such claim; provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. The Employer shall control all proceedings taken in connection with such contest; provided, however, that if the Employer directs the Executive to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance.

(c) If, after the receipt by the Executive of an amount advanced by the Employer pursuant to this Paragraph 12, the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall, within 10 days, pay to the Employer the amount of such refund, together with any interest paid or credited thereon after taxes applicable thereto.

13. Section 409A. To the greatest extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations promulgated thereunder (collectively, "Section 409A"), the payments to Executive under this Agreement are intended to be exempt from Section 409A, including pursuant to Treasury Regulation sections 1.409A-1(b)(4) (the "short term deferral" exemption) or 1.409A-1(b)(9) (the "separation pay" exemption), and shall be administered accordingly. Notwithstanding anything in this Agreement to the contrary:

(a) To the extent any amounts or benefits payable pursuant to this Agreement constitute "deferred compensation" (within the meaning of Section 409A) and are not exempt from the applicability of Section 409A, then the following shall be applicable under this Agreement:

(i) If any amount paid pursuant to this Agreement is deferred compensation within the meaning of Section 409A, payable as a result of a termination of the Executive's employment, and as of the date of termination of employment giving rise to payment of such amount the Executive is a Specified Employee, then amount(s) that would otherwise be payable during the six (6) month period immediately following such date of termination shall instead be paid, with interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code, on the first business day after the date that is six (6) months following the Executive's "separation from service" (within the meaning of Section 409A) (the "Delayed Payment Date"). As used in this Agreement, the term "Specified Employee" means a "specified employee" as defined in Section 409A(a)(2)(B) (i) of the Code. By way of clarification, "specified employee" means a "key employee" (as defined in Section 416(i) of the Code, disregarding Section 416(i)(5) of the Code) of Employer. The Executive shall be treated as a key employee if the Executive meets the requirement of Section 416(i)(1)(A)(i), (ii), or (iii) of the Code at any time during the twelve (12) month period ending on an "identification date." For purposes of any "Specified Employee" determination hereunder, the "identification date" shall mean the last day of each calendar year;

(ii) Any Section 409A payments which are subject to execution of a waiver and release which may be executed and/or revoked in a calendar year following the calendar year in which the payment event (such as termination of employment) occurs shall commence payment only in such following calendar year as necessary to comply with Section 409A;

(iii) All expense reimbursement or in-kind benefits subject to Section 409A provided under this Agreement or, unless otherwise specified in writing, under any Company program or policy, shall be subject to the following rules: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided during one calendar year may not affect the benefits provided during any other year; (ii) reimbursements shall be paid no later than the end of the calendar year following the year in which Executive incurs such expenses, and Executive shall take all actions necessary to claim all such reimbursements on a timely basis to permit the Company to make all such reimbursement payments prior to the end of said period, and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit;

(iv) Any tax gross-up payments provided under this Agreement shall be paid to the Executive on or before December 31 of the calendar year immediately following the calendar year in which the Executive remits the related taxes; and

(v) Neither Employer nor the Executive or any other person or entity, acting alone or jointly, may exercise any discretion, through an amendment of this Agreement or otherwise, with respect to any payment under this Agreement which is not exempt from the requirements of Section 409A, regarding acceleration or other action or omission in respect of any such non-exempt payment, in a manner which would give rise to taxation under Section 409A.

14. Notices. Any notice provided for in this Agreement shall be given in writing. Notices shall be effective from the date of receipt if delivered personally to the party to whom notice is to be given, or on the second day after mailing if mailed by first class mail, postage prepaid. Notices shall be properly addressed to the parties at their respective addresses set forth below or to such other address as either party may later specify by notice to the other:

If to Employer:

GEE Group, Inc.
Attn: Thomas Vetrano , Chairman of the Compensation Committee of the Board of Directors
7751 Belfort Parkway, Suite 150
Jacksonville, FL 32256

If to Executive:

Derek E. Dewan
7003 Gaines Court
Jacksonville, Florida 32217

15. Entire Agreement. This Agreement contains the entire agreement and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof, including, but not limited to, any and all prior employment agreements and related amendments entered into between the Employer and the Executive (including the Prior Agreement). This Agreement may be changed only by an agreement in writing signed by the party against whom any waiver, change, amendment or modification is sought. Executive waives any rights under the Prior Agreement.

16. Waiver. The waiver by one party of a breach of any of the provisions of this Agreement by the other shall not be construed as a waiver of any subsequent breach.

17. Attorney's Fees. In the event of litigation or other dispute resolution proceeding involving the interpretation or enforcement of this Agreement, Executive shall be entitled to advancement or reimbursement from Employer of all fees, costs and expenses incurred in connection therewith, including attorney's fees through final adjudication.

18. Tax Withholding. The Employer shall have the right to deduct from all benefits and/or payments under the Agreement any taxes required by law to be paid or withheld with respect to such benefits or payments.

19. Governing Law; Venue. The Agreement shall be construed and enforced in accordance with the laws of the State of Florida. Duval County, Florida, shall be proper venue for any litigation arising out of this Agreement.

20. Paragraph Headings. Paragraph headings are for convenience only and are not intended to expand or restrict the scope or substance of the provisions of this Agreement.

21. Assignability. The rights and obligations of the Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Employer. This Agreement is a personal employment agreement and the rights, obligations and interests of the Executive hereunder may not be sold, assigned, transferred, pledged or hypothecated.

22. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall remain in full force and shall in no way be impaired.

23. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to account for more than one such counterpart.

(Signatures appear on the following page.)

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

EXECUTIVE

Derek E. Dewan, individually

Witness

EMPLOYER

Witness

By: _____
Chairman of Compensation Committee, Board of
Directors

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is made and effective as of April 27, 2023 (the "Effective Date"), between GEE Group Inc., an Illinois corporation, whose principal place of business is 7751 Belfort Parkway Suite 150 Jacksonville, Florida 32256 (the "Company" or "Employer") and Kim Thorpe, an individual residing in Jacksonville Beach, Florida. ("Executive").

RECITALS

A. The Employer is an Illinois corporation and is principally engaged in the business of providing contract staffing services, permanent placement personnel and other human resources solutions (the "Business").

B. Executive is currently employed by the Company pursuant to a certain Executive Employment Agreement effective as of February 13, 2019, as thereafter amended (the "Prior Agreement").

C. The Employer desires to continue to employ Executive and Executive desires to continue to be employed by the Employer pursuant to the terms of this Agreement, which shall supersede the Prior Agreement effective on the Effective Date.

NOW, THEREFORE, in consideration of the mutual promises and agreements and covenants, and subject to the terms and conditions contained in this Agreement, Employer and Executive, intending to be legally bound, hereby agree as follows:

1. Employment. Employer shall continue to employ Executive as Senior Vice President and Chief Financial Officer, and Executive hereby accepts such continued employment by Employer, in accordance with and subject to the terms and conditions of this Agreement.

2. Duties and Authority. During the Employment Period (as hereinafter defined), Executive shall occupy the position of Senior Vice President and Chief Financial Officer and report directly to the Employer's President and Chief Executive Officer. As Senior Vice President and Chief Financial Officer, Executive shall be in charge of the finance operations of Employer and shall have full authority and responsibility, subject to the general direction and control of the President and Chief Executive Officer, for formulating policies and administering the financial affairs of Employer in all respects, and otherwise performing such duties as are customarily performed by the Senior Vice President and Chief Financial Officer of similar size and structure to Employer. Executive agrees to devote his full time, attention and best efforts to the performance of his duties hereunder; provided, however, it shall not be considered a violation of the foregoing for the Executive to serve as an executive of or on corporate, industry, civic, or charitable boards or committees, so long as such activities do not materially interfere with the performance of the Executive's responsibilities as an employee of Employer in accordance with this Agreement. Executive, at his discretion, may work in the Company's corporate or other offices, remotely or some combination of both.

3. Initial Term; Employment Period. The initial term of employment shall begin on the Effective Date and end five years immediately thereafter (the "Initial Term"). The term of this Agreement shall be extended automatically for one year on the fifth year anniversary of the Effective Date and each annual anniversary thereof (the "Extension Date") unless, and until, at least 90 days prior to the last day of the Initial Term or applicable Extension Date, as applicable, either the Employer or the Executive provides written notice to the other party that this Agreement is not to be extended. The Initial Term together with all one-year extensions of the term of this Agreement, if any, shall collectively be referred to herein as the "Term." For purposes of this Agreement, the period beginning on the Effective Date and ending on the Date of Termination (as hereinafter defined) shall be referred to herein as the "Employment Period."

4. Compensation. During the Employment Period which is in the Term, Executive shall receive the following compensation:

(a) Base Salary. A base annual salary of \$331,000, payable in accordance with the Employer's standard practice for other senior executives. Executive's base salary shall be subject to annual review by the Board's Compensation Committee for discretionary periodic increases (but not decreases) in accordance with the Employer's compensation policies. References to "Base Salary" in this Agreement shall be to the base salary set forth in this Paragraph 4(a) and shall include any increases to such base salary.

(b) Incentive Compensation. Executive shall be eligible for discretionary or formula-based bonuses as determined by the Board's Compensation Committee and be eligible to participate in one or more compensation plan(s) of Employer ("Incentive Plans"), subject to the terms and conditions thereof. The Board's Compensation Committee shall establish a target annual cash bonus opportunity for Executive (a "Target Cash Bonus") from time-to-time. The Target Cash Bonus for a given fiscal year as of the Effective Date shall be set so that Employee may earn up to 112.5% of the Base Salary as of the end of such fiscal year, is payable in cash within two and one-half months after the end of such fiscal year and shall not be set at a lower percentage during the Term.

5. Equity Incentives.

(a) Equity Incentives - General. Stock options of Employer and other forms of equity compensation such as restricted stock, stock appreciation rights or phantom stock (collectively, "Equity Incentives") may be granted to executive from time to time at the discretion of the Compensation Committee of the Board of Directors (the "Compensation Committee").

(b) Investment Representation. Executive agrees that he will not sell or otherwise dispose of all or any part of the common stock of Employer acquired as part of the Equity Incentives unless he shall have received an opinion of counsel, in form and substance satisfactory to counsel for Employer (each party to bear the expense of its own counsel), to the effect that registration of the shares to be sold or disposed of is not required under the Securities Act of 1933, as amended (the "Act"), or unless there shall be in effect a registration statement under said Act with respect to the proposed sale or disposition of the shares to be sold or disposed of, and Executive shall have complied with all applicable provisions of the Act and the rules and regulations thereunder.

(c) Registration. If stock options for common stock, restricted stock or other forms of equity compensation of Employer are granted by the Compensation Committee to Executive as Equity Incentives, then it is acknowledged that the grants by the Compensation Committee will require that Executive be provided with the right to require Employer, as soon as reasonably practicable, to register Executive's shares upon vesting and exercise of the stock options or vesting of the restricted stock or other forms of equity compensation pursuant to the appropriate form of registration statement under the Act and to thereafter maintain such registration statement's effectiveness at all required times.

(d) Exercise. Any stock options for common stock, restricted stock or other forms of equity compensation granted by the Compensation Committee after the effective date of this Agreement as Equity Incentives, shall include the following terms and conditions. These terms and conditions are:

(i) exercisability of vested options (including those vested under Paragraph 5(d)(ii) below) for at least 2 years following the Executive's termination of employment with the Employer or if sooner, 10 years from date of grant of the option;

(ii) full vesting of options, restricted stock or other forms of equity compensation upon a Change in Control (as hereafter defined) or termination of the Executive's employment with the Employer for reasons other than (A) by the Employer for Cause (as hereafter defined), or (B) by the Executive without Good Reason (as hereafter defined); and

(iii) exercisability of options, only to the extent vested on the date of the Executive's termination of employment with the Employer, restricted stock and other forms of equity compensation vested in accordance with the stated vesting schedule in the event of termination (A) by the Employer for Cause, or (B) by the Executive without Good Reason.

6. Benefits. Executive shall receive the following additional benefits at no cost to the Executive:

(a) Life Insurance. During the Employment Period, if requested by Executive in writing, Employer shall reimburse Executive up to \$15,000 annually for the cost of life insurance, covering Executive's life.

(b) Disability Insurance. During the Employment Period, if requested by Executive in writing, Employer shall reimburse Executive for up to \$15,000 annually for Executive's cost of disability insurance covering Executive.

(c) Medical, Dental and Hospital Insurance: General. During the Employment Period, if requested by Executive during the Employment Period, Employer shall include Executive, his spouse and his dependents in any group medical, dental and hospital or similar plan of Employer in existence for senior executives from time to time until Executive and his spouse attain the age of 65. Employer will purchase individual medical, dental and hospital insurance for Executive, his spouse and his dependents if group coverage is not in existence or is unavailable.

(d) Post-Employment Medical, Dental and Hospital. If requested by Executive, post-employment medical, dental and hospital insurance, either as group coverage or an individual policy, will be provided at Employer's expense at the same level as other senior executive officers for Executive, and Executive's spouse and dependents.

(e) Vacation. Executive shall be entitled to five (5) weeks of paid vacation during each calendar year and time off for all holidays as designated by the Employer. Unused vacation time will be paid to Executive at calendar year end.

(f) Automobile. Executive shall receive on a monthly basis an automobile allowance in the amount of \$1,500 per month, which may be increased at the sole discretion of the Compensation Committee.

(g) Club Dues. Employer shall pay or reimburse Executive for Executive's membership fees and club dues (the maximum payment or reimbursement for all clubs not to exceed the total of \$10,000 per annum). Upon Compensation Committee approval, Employer shall pay for such other club dues and membership fees in excess of such amount for Executive as are reasonable and customary from time to time.

(h) Communications and Other Equipment. Employer shall provide Executive with, and shall pay all costs of operating and maintaining, cellular telephones, pagers, telephone, cable, tablets, notebook and desk top computers, facsimile machines, hand-held organizers/PDAs, and such other equipment necessary for Executive to perform his duties at Executive's offices, residences or remotely as deemed necessary by Executive.

(i) Expense Reimbursement. Subject to compliance with Employer's business expense reimbursement policies, Executive shall be entitled to reimbursement for all reasonable business expenses, including meals, travel, entertainment, cellular or land-line telephone, internet, cable, satellite, subscriptions for industry, business and trade periodicals, business society and professional dues and memberships, licenses, certifications and such other reasonable expenses incurred by Executive in the performance of his duties. Executive will maintain records and written receipts as required by federal and state tax authorities to substantiate expenses as an income tax deduction for Employer and shall submit vouchers for expenses for which reimbursement is made. Credit card receipts (American Express, etc.) and other receipts are acceptable along with other corroborative evidence.

(j) Other Benefits. To the extent not otherwise provided herein (it being the intent not to duplicate benefits), Employer shall provide Executive with no less than the same type and level of other benefits provided by the Employer from time to time to its other executive officers as a group and Board members as a group if these are materially higher than what has been provided to Executive. These include, but are not limited to, life and health insurance benefits, participation in pension and profit sharing plans, stock option and stock purchase plans, restricted stock grants, stock appreciation rights, and stock warrants.

7. Non-Compete and Non-Solicitation; Confidentiality. In consideration of the employment of Executive by Employer, Executive agrees as follows:

(a) Non-Compete and Non-Solicitation. During the Employment Period and for a period of one (1) year after the Date of Termination, Executive will not, directly or indirectly, within a fifty (50) mile radius of any office of Employer (or a consolidated subsidiary) in existence on the Date of Termination, own, manage, be employed by, work for, consult for, be an officer or director of, advise, represent, engage in or carry on any business which competes with the Business of the Employer at that time. During the Employment Period and for a period of one (1) year after the Date of Termination, Executive will not, directly or indirectly, solicit or induce, or attempt to solicit or induce, any employee of the Employer (or a consolidated subsidiary) to leave the Employer (or a consolidated subsidiary) for any reason whatsoever, or solicit the services of any employee of the Employer (or a consolidated subsidiary). The term "consolidated subsidiary" means an entity that is (i) wholly owned by Employer or (ii) is partially owned by Employer such that, for generally accepted accounting principles, its financials are Consolidated in the consolidated financials of Employer.

(b) Non-Disclosure of Information. Executive will not at any time, during or after the Term, in any fashion, form, or manner, either directly or indirectly, divulge, disclose, or communicate to any person, firm, or corporation, in any manner whatsoever, any information of any kind, nature, or description concerning any matters affecting or relating to the Business of the Employer, including, but not limited to, the names of any of its customers or prospective customers or any other information concerning the Business of the Employer, its manner of operation, its plans, its vendors, its suppliers, its advertising, its marketing, its methods, its practices, or any other information of any kind, nature, or description, without regard to whether any or all of the foregoing matters would otherwise be deemed confidential, material, or important; provided, however, that this provision shall not prevent disclosures by Executive to the extent such disclosures are (i) believed by the Executive, in good faith and acting reasonably, to be in the best interest of the Employer, (ii) of information that is public at the time of the disclosure (other than as a result of the Executive's violation of this Paragraph 7(b)), or (iii) as required by law or legal process (and, if the Executive is so required to disclose, Executive shall provide the Employer notice of such to allow the Company the opportunity to contest such disclosure).

8. Termination of Employment

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. Additionally, if the Employer determines in good faith that the Executive has incurred a Disability (as hereinafter defined), it may give the Executive written notice of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Employer shall terminate effective on the later of (i) the date in the notice, (ii) the day after receipt of such notice by the Executive, or (iii) the date the Disability has been considered to occur (the "Disability Effective Date"), provided that, prior to such date, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" means a disability that entitles Executive to benefits under the applicable Company long-term disability plan covering Executive and that Executive shall have been unable, due to physical or mental incapacity, to substantially perform Executive's duties and responsibilities hereunder for 180 days out of any 365 day period or for 120 consecutive days and such incapacity will, in the opinion of a qualified physician, be permanent and continuous during the remainder of Executive's life.

(b) Cause. The Employer may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean (i) a material breach by the Executive of the Executive's obligations under Paragraph 2 above (other than as a result of temporary incapacity due to physical or mental illness, or Disability) which is demonstrably willful and deliberate on the Executive's part, which is committed in bad faith or without reasonable belief that such breach is in the best interests of the Employer and which is not remedied in a reasonable period of time after receipt of written notice from the Employer specifying such breach; (ii) the conviction of the Executive of a capital felony; or (iii) a material breach of the Executive's fiduciary duty to the Employer or a willful and deliberate violation in the course of performing his duties for the Employer of relevant laws, rules or regulations (other than traffic violations or other minor offenses) which causes substantial loss, material damage or significant injury to the property or reputation of the Company. (No act or failure to act on the Executive's part shall be considered willful unless done or omitted in bad faith and without reasonable belief that the action or omission was in the best interest of the Employer.) Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered a copy of a resolution duly adopted by the affirmative vote of at least eighty percent (80%) of the membership of the Board (deemed to not include Executive should he be a member of the Board as of such time) at a meeting of the Board called and held for such purpose (after reasonable notice and an opportunity to be remedied and cured as provided herein and/or to be heard by the Board), finding that, in the good faith opinion of the Board, Executive was culpable of the act or omission giving rise to Cause and specifying the particulars in detail. For the avoidance of doubt, Executive shall be provided a reasonable period of time to remedy or cure the matters identified by Employer as constituting Cause, as provided herein, before any resolution alleging Cause on the part of Executive is considered by the Board for adoption.

(c) Good Reason. Executive's employment may be terminated by the Executive at any time for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to Executive of any duties inconsistent in a material respect with Executive's position (including status, offices, titles and reporting requirement that executive reports directly to the President and Chief Executive Officer), authority, duties or responsibilities as contemplated by Paragraph 2 above or any other action by the Employer which results in a diminution in such position, authority, duties or responsibilities in a material respect (including the Executive no longer being the Senior Vice President and Chief Financial Officer of the Employer continuing as a public company or a publicly held company successor) that is not consented to by Executive;

(ii) a reduction in, or failure to pay Executive's Base Salary, Target Cash Bonus, Target Equity Incentive Award, or any other cash incentive or equity compensation for which Executive is eligible, or any of the benefits enumerated herein, which is more than *de minimis*;

(iii) any failure by the Employer to comply with any of the provisions of this Agreement or any other written equity or compensation agreement in a material respect whether by any action or inaction;

(iv) the Employer's requiring Executive to be based at any office or location other than Jacksonville, Florida;

(v) the Employer's providing notice to Executive pursuant to Paragraph 3 above that the Agreement will not be extended, unless the purpose of such notice is to negotiate the terms of a new agreement between the Employer and the Executive and the notice provides that the Agreement continues in effect until such new agreement is entered into; or

(vi) a Change of Control; for purposes of this Agreement, "Change in Control" shall mean the occurrence of any of the following events:

(A) one person or entity (or more than one person or entity acting as a "group" (as that term is defined in Section 409A-3(i)(5)(v)(B) of the Treasury Regulations) acquires legal or beneficial ownership of stock of the Employer that, together with the stock held legally or beneficially by such person or group, constitutes more than 20% of the total fair market value or total voting power of the stock of such corporation; or

(B) individuals who, as of the date of the signing of this Agreement, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a two-thirds majority of such Board; provided that any individual who becomes a director of the Company subsequent to the date of the signing of this Agreement, whose election, or nomination for election by the Company stockholders, was approved by the vote of at least a two-thirds majority of the directors then in office shall be deemed a member of the Incumbent Board; or

(C) an agreement for the sale of a substantial portion (twenty percent (20%) or more) of the Employer's assets within a twelve (12) month period or a partial or complete liquidation or dissolution of the Employer; or

(D) the merger of the Employer into or consolidation with another entity and, after giving effect to such merger or consolidation, the holders of stock of the Employer immediately prior to such merger or consolidation own less than 51% of the stock of the surviving entity after such merger or consolidation.

Notwithstanding Paragraph 8(c)(vi)(A) above, the Executive shall not have Good Reason if Executive is involved in a "group" (as defined above) which acquires a substantial portion of the Company's assets or stock. For purposes of this Paragraph 8(c), any good faith reasonable determination of "Good Reason" made by the Executive shall be conclusive. However, no such event described hereunder shall constitute Good Reason unless (i) the Executive has given written notice to the Employer specifying the event relied upon for such termination within 30 days after the occurrence of such event; (ii) the Employer has not remedied such within 60 days of receipt of such notice; and (iii) Executive actually terminates Executive's employment for such uncured Good Reason event, on at least ten (10) days' prior written notice, within thirty (30) days following the expiration of such sixty (60) day cure period referred to in clause (ii) above. The Employer and the Executive, upon mutual written agreement, may waive any of the foregoing provisions which would otherwise constitute Good Reason.

(d) Notice of Termination. Any termination by the Employer for Cause, or by the Executive for Good Reason, shall be communicated to the other party by Notice of Termination. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon; (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment; and (iii) specifies the Date of Termination (as defined below). Notice of intent to terminate employment for Good Reason must be provided pursuant to Paragraph 8(c) above. The failure by the Executive or the Employer to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Employer hereunder or preclude the Executive or the Employer from asserting such fact or circumstance in enforcing the Executive's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Employer for Cause, or by the Executive for Good Reason, the date specified in the Notice of Termination as the Date of Termination; (ii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be; and (iii) if the Executive's employment is terminated by either party other than for death, Disability, Cause or Good Reason, the date set forth in the notice required under Paragraph 8(d) above as the date the termination is to be effective.

9. Obligations of the Employer upon Termination

(a) Upon termination of the Executive's employment for any reason during the Term, Executive shall be entitled to Base Salary, accrued bonus, accrued equity incentive award, vested incentive and equity compensation, and all benefits and reimbursable expenses through the Date of Termination, and to exercise all vested stock options.

(b) Upon the termination of the Executive's employment during the Term by the Executive for Good Reason, or by the Employer for any reason other than Cause, Executive shall in addition be entitled to accelerated vesting of all previously unvested restricted stock including the full amount of any unvested performance-based restricted stock awarded that may still be subject to future performance, without regard to such future performance, and stock options and to exercise the options.

(c) Upon the termination of the Executive's employment during the Term by the Executive for Good Reason, or by the Employer for any reason other than Cause, Executive may require that in lieu of shares of common stock issuable upon the exercise of all stock options, an amount of cash be paid for each option equal to the difference between the quoted closing market price of one share of common stock on the date of termination and the strike price of the stock option. Each stock option will be cancelled as a corresponding cash payment is made. In addition, Executive may require that Employer pay an amount of cash equal to the quoted closing market price of one share of common stock on the date of termination for each share of restricted common stock owned by Executive. The NYSE American quoted closing market price will be utilized for the purposes of this Paragraph 9(c).

(d) In addition, upon the termination of the Executive's employment during the Term by the Executive for Good Reason, or by the Employer for any reason other than Cause or death, the Executive shall be entitled to receive a lump sum payment equal to (i) three (3) times the sum of (A) Executive's Base Salary as of the Date of Termination, and (B) the Executive's maximum target cash bonus opportunity as of the Date of Termination, without regard to achievement of performance targets under any Incentive Plans in place that executive participates in including, without limitation, the maximum Target Cash Bonus opportunity, or, if higher, the largest actual cash bonus amount paid in any of the three years prior to termination; and (C) any other approved bonus arrangement for the year of termination; and (ii) all legal fees and expenses incurred by Executive as a result of such termination, including all such fees and expenses incurred by Executive in contesting or disputing any such termination or in seeking to obtain or enforce any right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Code (as defined in Section 13 below) to any payment or benefit provided under this Agreement. The lump sum payment shall be paid no later than thirty days after the Date of Termination in immediately available United States funds.

10. Indemnification of Executive. The Executive shall be entitled to indemnification and defense by the Employer to the full extent allowed by law, subject to and in accordance with the execution of the Employer's customary indemnification agreement, as established from time to time by the Employer's Board of Directors, to protect the Employer's officers and directors in the ordinary and prudent exercise of their duties to the Employer (the "Indemnification Agreement"), plus the benefits of any insurance coverage that the Employer may purchase or have in effect. To the extent that any such insurance coverage may not be sufficient or applicable, the Executive shall have the right to reimbursement and indemnification by the Employer, in accordance with the Employer's Indemnification Agreement in effect at the time of any relevant loss or claim. Nothing in this Agreement shall be deemed to alter, amend, limit, or vary any of the terms of the Employer's duly approved Indemnification Agreement or its effective date, as modified from time to time within the sole discretion of the Employer's Board of Directors.

11. Mitigation of Damages. Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise. Except as otherwise provided above with respect to certain welfare benefits, the amount of any payment provided for under this Agreement shall not be reduced by any compensation earned by the Executive as the result of self-employment or employment by another employer or otherwise.

12. Tax Effect. If Independent Tax Counsel shall determine that the aggregate payments made and benefits provided to the Executive pursuant to this Agreement and any other payments and benefits provided to the Executive from the Employer, its affiliates and plans which constitute "parachute payments" as defined in Section 280G of the Code (or any successor provision thereto) ("Parachute Payments") would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount (determined by Independent Tax Counsel) such that after payment by the Executive of all taxes (including any Excise Tax) imposed upon the Gross-Up Payment and any interest or penalties imposed with respect to such taxes, the Executive retains from the Gross-Up Payment an amount equal to the Excise Tax imposed upon the payments. For purposes of this Paragraph, "Independent Tax Counsel" shall mean a lawyer, a certified public accountant with a nationally recognized accounting firm, or a compensation consultant with a nationally recognized actuarial and benefits consulting firm with expertise in the area of executive compensation tax law, who shall be selected by the Employer and shall be reasonably acceptable to the Executive, and whose fees and disbursements shall be paid by the Employer.

(a) If Independent Tax Counsel shall determine that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion that the Executive has substantial authority not to report any Excise Tax on the Executive's Federal income tax return. If the Executive is subsequently required to make a payment of any Excise Tax, then the Independent Tax Counsel shall determine the amount of such additional payment ("Gross-Up Underpayment"), and any such Gross-Up Underpayment shall be promptly paid by the Employer to or for the benefit of the Executive. The fees and disbursements of the Independent Tax Counsel shall be paid by the Employer.

(b) The Executive shall notify the Employer in writing within 15 days of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of a Gross-Up Payment. If the Employer notifies the Executive in writing that it desires to contest such claim and that it will bear the costs and provide the indemnification as required by this sentence, the Executive shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim;

(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer;

(iii) cooperate with the Employer in good faith in order to effectively contest such claim; and

(iv) permit the Employer to participate in any proceedings relating to such claim; provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. The Employer shall control all proceedings taken in connection with such contest; provided, however, that if the Employer directs the Executive to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance.

(c) If, after the receipt by the Executive of an amount advanced by the Employer pursuant to this Paragraph 12, the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall, within 10 days, pay to the Employer the amount of such refund, together with any interest paid or credited thereon after taxes applicable thereto.

13. Section 409A. To the greatest extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations promulgated thereunder (collectively, "Section 409A"), the payments to Executive under this Agreement are intended to be exempt from Section 409A, including pursuant to Treasury Regulation sections 1.409A-1(b)(4) (the "short term deferral" exemption) or 1.409A-1(b)(9) (the "separation pay" exemption), and shall be administered accordingly. Notwithstanding anything in this Agreement to the contrary:

(a) To the extent any amounts or benefits payable pursuant to this Agreement constitute "deferred compensation" (within the meaning of Section 409A) and are not exempt from the applicability of Section 409A, then the following shall be applicable under this Agreement:

(i) If any amount paid pursuant to this Agreement is deferred compensation within the meaning of Section 409A, payable as a result of a termination of the Executive's employment, and as of the date of termination of employment giving rise to payment of such amount the Executive is a Specified Employee, then amount(s) that would otherwise be payable during the six (6) month period immediately following such date of termination shall instead be paid, with interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code, on the first business day after the date that is six (6) months following the Executive's "separation from service" (within the meaning of Section 409A) (the "Delayed Payment Date"). As used in this Agreement, the term "Specified Employee" means a "specified employee" as defined in Section 409A(a)(2)(B) (i) of the Code. By way of clarification, "specified employee" means a "key employee" (as defined in Section 416(i) of the Code, disregarding Section 416(i)(5) of the Code) of Employer. The Executive shall be treated as a key employee if the Executive meets the requirement of Section 416(i)(1)(A)(i), (ii), or (iii) of the Code at any time during the twelve (12) month period ending on an "identification date." For purposes of any "Specified Employee" determination hereunder, the "identification date" shall mean the last day of each calendar year;

(ii) Any Section 409A payments which are subject to execution of a waiver and release which may be executed and/or revoked in a calendar year following the calendar year in which the payment event (such as termination of employment) occurs shall commence payment only in such following calendar year as necessary to comply with Section 409A;

(iii) All expense reimbursement or in-kind benefits subject to Section 409A provided under this Agreement or, unless otherwise specified in writing, under any Company program or policy, shall be subject to the following rules: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided during one calendar year may not affect the benefits provided during any other year; (ii) reimbursements shall be paid no later than the end of the calendar year following the year in which Executive incurs such expenses, and Executive shall take all actions necessary to claim all such reimbursements on a timely basis to permit the Company to make all such reimbursement payments prior to the end of said period, and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit;

(iv) Any tax gross-up payments provided under this Agreement shall be paid to the Executive on or before December 31 of the calendar year immediately following the calendar year in which the Executive remits the related taxes; and

(v) Neither Employer nor the Executive or any other person or entity, acting alone or jointly, may exercise any discretion, through an amendment of this Agreement or otherwise, with respect to any payment under this Agreement which is not exempt from the requirements of Section 409A, regarding acceleration or other action or omission in respect of any such non-exempt payment, in a manner which would give rise to taxation under Section 409A.

14. Notices. Any notice provided for in this Agreement shall be given in writing. Notices shall be effective from the date of receipt if delivered personally to the party to whom notice is to be given, or on the second day after mailing if mailed by first class mail, postage prepaid. Notices shall be properly addressed to the parties at their respective addresses set forth below or to such other address as either party may later specify by notice to the other:

If to Employer:

GEE Group, Inc.
Attn: Thomas Vetrano , Chairman of the Compensation Committee of the Board of Directors
7751 Belfort Parkway, Suite 150
Jacksonville, FL 32256

If to Executive:

Kim Thorpe
2200 Ocean Drive South, PH1
Jacksonville Beach, Florida 32250

15. Entire Agreement. This Agreement contains the entire agreement and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof, including, but not limited to, any and all prior employment agreements and related amendments entered into between the Employer and the Executive (including the Prior Agreement). This Agreement may be changed only by an agreement in writing signed by the party against whom any waiver, change, amendment or modification is sought. Executive waives any rights under the Prior Agreement.

16. Waiver. The waiver by one party of a breach of any of the provisions of this Agreement by the other shall not be construed as a waiver of any subsequent breach.

17. Attorney's Fees. In the event of litigation or other dispute resolution proceeding involving the interpretation or enforcement of this Agreement, Executive shall be entitled to advancement or reimbursement from Employer of all fees, costs and expenses incurred in connection therewith, including attorney's fees through final adjudication.

18. Tax Withholding. The Employer shall have the right to deduct from all benefits and/or payments under the Agreement any taxes required by law to be paid or withheld with respect to such benefits or payments.

19. Governing Law; Venue. The Agreement shall be construed and enforced in accordance with the laws of the State of Florida. Duval County, Florida, shall be proper venue for any litigation arising out of this Agreement.

20. Paragraph Headings. Paragraph headings are for convenience only and are not intended to expand or restrict the scope or substance of the provisions of this Agreement.

21. Assignability. The rights and obligations of the Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Employer. This Agreement is a personal employment agreement and the rights, obligations and interests of the Executive hereunder may not be sold, assigned, transferred, pledged or hypothecated.

22. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall remain in full force and shall in no way be impaired.

23. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to account for more than one such counterpart.

(Signatures appear on the following page.)

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

EXECUTIVE

Kim Thorpe, individually

Witness

EMPLOYER

Witness

By: _____
Chairman of Compensation Committee, Board of
Directors

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement") is made and effective as of April 27, 2023 (the "Effective Date"), between GEE Group Inc., an Illinois corporation, whose principal place of business is 7751 Belfort Parkway Suite 150 Jacksonville, Florida 32256 (the "Company" or "Employer") and Alex P. Stuckey, an individual residing in Jacksonville, Florida. ("Executive").

RECITALS

A. The Employer is an Illinois corporation and is principally engaged in the business of providing contract staffing services, permanent placement personnel and other human resources solutions (the "Business").

B. Executive is currently employed by the Company pursuant to a certain Executive Employment Agreement effective as of June 1, 2018, as thereafter amended (the "Prior Agreement").

C. The Employer desires to continue to employ Executive and Executive desires to continue to be employed by the Employer pursuant to the terms of this Agreement, which shall supersede the Prior Agreement effective on the Effective Date.

NOW, THEREFORE, in consideration of the mutual promises and agreements and covenants, and subject to the terms and conditions contained in this Agreement, Employer and Executive, intending to be legally bound, hereby agree as follows:

1. Employment. Employer shall continue to employ Executive as Senior Vice President and Chief Financial Officer, and Executive hereby accepts such continued employment by Employer, in accordance with and subject to the terms and conditions of this Agreement.

2. Duties and Authority. During the Employment Period (as hereinafter defined), Executive shall occupy the position of Chief Operating Officer and report directly to the Employer's President and Chief Executive Officer. As Chief Operating Officer, Executive shall be in charge of the operations of Employer and shall have full authority and responsibility, subject to the general direction and control of the President and Chief Executive Officer, for formulating policies and administering the operational affairs of Employer, and otherwise performing such duties as are customarily performed by the Chief Operating Officer of similar size and structure to Employer. Executive agrees to devote his full time, attention and best efforts to the performance of his duties hereunder; provided, however, it shall not be considered a violation of the foregoing for the Executive to serve as an executive of or on corporate, industry, civic, or charitable boards or committees, so long as such activities do not materially interfere with the performance of the Executive's responsibilities as an employee of Employer in accordance with this Agreement. Executive, at his discretion, may work in the Company's corporate or other offices, remotely or some combination of both.

3. Initial Term; Employment Period. The initial term of employment shall begin on the Effective Date and end five years immediately thereafter (the "Initial Term"). The term of this Agreement shall be extended automatically for one year on the fifth year anniversary of the Effective Date and each annual anniversary thereof (the "Extension Date") unless, and until, at least 90 days prior to the last day of the Initial Term or applicable Extension Date, as applicable, either the Employer or the Executive provides written notice to the other party that this Agreement is not to be extended. The Initial Term together with all one-year extensions of the term of this Agreement, if any, shall collectively be referred to herein as the "Term." For purposes of this Agreement, the period beginning on the Effective Date and ending on the Date of Termination (as hereinafter defined) shall be referred to herein as the "Employment Period."

4. Compensation. During the Employment Period which is in the Term, Executive shall receive the following compensation:

(a) Base Salary. A base annual salary of \$331,000, payable in accordance with the Employer's standard practice for other senior executives. Executive's base salary shall be subject to annual review by the Board's Compensation Committee for discretionary periodic increases (but not decreases) in accordance with the Employer's compensation policies. References to "Base Salary" in this Agreement shall be to the base salary set forth in this Paragraph 4(a) and shall include any increases to such base salary.

(b) Incentive Compensation. Executive shall be eligible for discretionary or formula-based bonuses as determined by the Board's Compensation Committee and be eligible to participate in one or more compensation plan(s) of Employer ("Incentive Plans"), subject to the terms and conditions thereof. The Board's Compensation Committee shall establish a target annual cash bonus opportunity for Executive (a "Target Cash Bonus") from time-to-time. The Target Cash Bonus for a given fiscal year as of the Effective Date shall be set so that Employee may earn up to 112.5% of the Base Salary as of the end of such fiscal year, is payable in cash within two and one-half months after the end of such fiscal year and shall not be set at a lower percentage during the Term.

5. Equity Incentives.

(a) Equity Incentives - General. Stock options of Employer and other forms of equity compensation such as restricted stock, stock appreciation rights or phantom stock (collectively, "Equity Incentives") may be granted to executive from time to time at the discretion of the Compensation Committee of the Board of Directors (the "Compensation Committee").

(b) Investment Representation. Executive agrees that he will not sell or otherwise dispose of all or any part of the common stock of Employer acquired as part of the Equity Incentives unless he shall have received an opinion of counsel, in form and substance satisfactory to counsel for Employer (each party to bear the expense of its own counsel), to the effect that registration of the shares to be sold or disposed of is not required under the Securities Act of 1933, as amended (the "Act"), or unless there shall be in effect a registration statement under said Act with respect to the proposed sale or disposition of the shares to be sold or disposed of, and Executive shall have complied with all applicable provisions of the Act and the rules and regulations thereunder.

(c) Registration. If stock options for common stock, restricted stock or other forms of equity compensation of Employer are granted by the Compensation Committee to Executive as Equity Incentives, then it is acknowledged that the grants by the Compensation Committee will require that Executive be provided with the right to require Employer, as soon as reasonably practicable, to register Executive's shares upon vesting and exercise of the stock options or vesting of the restricted stock or other forms of equity compensation pursuant to the appropriate form of registration statement under the Act and to thereafter maintain such registration statement's effectiveness at all required times.

(d) Exercise. Any stock options for common stock, restricted stock or other forms of equity compensation granted by the Compensation Committee after the effective date of this Agreement as Equity Incentives, shall include the following terms and conditions. These terms and conditions are:

(i) exercisability of vested options (including those vested under Paragraph 5(d)(ii) below) for at least 2 years following the Executive's termination of employment with the Employer or if sooner, 10 years from date of grant of the option;

(ii) full vesting of options, restricted stock or other forms of equity compensation upon a Change in Control (as hereafter defined) or termination of the Executive's employment with the Employer for reasons other than (A) by the Employer for Cause (as hereafter defined), or (B) by the Executive without Good Reason (as hereafter defined); and

(iii) exercisability of options, only to the extent vested on the date of the Executive's termination of employment with the Employer, restricted stock and other forms of equity compensation vested in accordance with the stated vesting schedule in the event of termination (A) by the Employer for Cause, or (B) by the Executive without Good Reason.

6. Benefits. Executive shall receive the following additional benefits at no cost to the Executive:

(a) Life Insurance. During the Employment Period, if requested by Executive in writing, Employer shall reimburse Executive up to \$15,000 annually for the cost of life insurance, covering Executive's life.

(b) Disability Insurance. During the Employment Period, if requested by Executive in writing, Employer shall reimburse Executive for up to \$15,000 annually for Executive's cost of disability insurance covering Executive.

(c) Medical, Dental and Hospital Insurance: General. During the Employment Period, if requested by Executive during the Employment Period, Employer shall include Executive, his spouse and his dependents in any group medical, dental and hospital or similar plan of Employer in existence for senior executives from time to time until Executive and his spouse attain the age of 65. Employer will purchase individual medical, dental and hospital insurance for Executive, his spouse and his dependents if group coverage is not in existence or is unavailable.

(d) Post-Employment Medical, Dental and Hospital. If requested by Executive, post-employment medical, dental and hospital insurance, either as group coverage or an individual policy, will be provided at Employer's expense at the same level as other senior executive officers for Executive, and Executive's spouse and dependents.

(e) Vacation. Executive shall be entitled to five (5) weeks of paid vacation during each calendar year and time off for all holidays as designated by the Employer. Unused vacation time will be paid to Executive at calendar year end.

(f) Automobile. Executive shall receive on a monthly basis an automobile allowance in the amount of \$1,500 per month, which may be increased at the sole discretion of the Compensation Committee.

(g) Club Dues. Employer shall pay or reimburse Executive for Executive's membership fees and club dues (the maximum payment or reimbursement for all clubs not to exceed the total of \$10,000 per annum). Upon Compensation Committee approval, Employer shall pay for such other club dues and membership fees in excess of such amount for Executive as are reasonable and customary from time to time.

(h) Communications and Other Equipment. Employer shall provide Executive with, and shall pay all costs of operating and maintaining, cellular telephones, pagers, telephone, cable, tablets, notebook and desk top computers, facsimile machines, hand-held organizers/PDAs, and such other equipment necessary for Executive to perform his duties at Executive's offices, residences or remotely as deemed necessary by Executive.

(i) Expense Reimbursement. Subject to compliance with Employer's business expense reimbursement policies, Executive shall be entitled to reimbursement for all reasonable business expenses, including meals, travel, entertainment, cellular or land-line telephone, internet, cable, satellite, subscriptions for industry, business and trade periodicals, business society and professional dues and memberships, licenses, certifications and such other reasonable expenses incurred by Executive in the performance of his duties. Executive will maintain records and written receipts as required by federal and state tax authorities to substantiate expenses as an income tax deduction for Employer and shall submit vouchers for expenses for which reimbursement is made. Credit card receipts (American Express, etc.) and other receipts are acceptable along with other corroborative evidence.

(j) Other Benefits. To the extent not otherwise provided herein (it being the intent not to duplicate benefits), Employer shall provide Executive with no less than the same type and level of other benefits provided by the Employer from time to time to its other executive officers as a group and Board members as a group if these are materially higher than what has been provided to Executive. These include, but are not limited to, life and health insurance benefits, participation in pension and profit sharing plans, stock option and stock purchase plans, restricted stock grants, stock appreciation rights, and stock warrants.

7. Non-Compete and Non-Solicitation; Confidentiality. In consideration of the employment of Executive by Employer, Executive agrees as follows:

(a) Non-Compete and Non-Solicitation. During the Employment Period and for a period of one (1) year after the Date of Termination, Executive will not, directly or indirectly, within a fifty (50) mile radius of any office of Employer (or a consolidated subsidiary) in existence on the Date of Termination, own, manage, be employed by, work for, consult for, be an officer or director of, advise, represent, engage in or carry on any business which competes with the Business of the Employer at that time. During the Employment Period and for a period of one (1) year after the Date of Termination, Executive will not, directly or indirectly, solicit or induce, or attempt to solicit or induce, any employee of the Employer (or a consolidated subsidiary) to leave the Employer (or a consolidated subsidiary) for any reason whatsoever, or solicit the services of any employee of the Employer (or a consolidated subsidiary). The term "consolidated subsidiary" means an entity that is (i) wholly owned by Employer or (ii) is partially owned by Employer such that, for generally accepted accounting principles, its financials are Consolidated in the consolidated financials of Employer.

(b) Non-Disclosure of Information. Executive will not at any time, during or after the Term, in any fashion, form, or manner, either directly or indirectly, divulge, disclose, or communicate to any person, firm, or corporation, in any manner whatsoever, any information of any kind, nature, or description concerning any matters affecting or relating to the Business of the Employer, including, but not limited to, the names of any of its customers or prospective customers or any other information concerning the Business of the Employer, its manner of operation, its plans, its vendors, its suppliers, its advertising, its marketing, its methods, its practices, or any other information of any kind, nature, or description, without regard to whether any or all of the foregoing matters would otherwise be deemed confidential, material, or important; provided, however, that this provision shall not prevent disclosures by Executive to the extent such disclosures are (i) believed by the Executive, in good faith and acting reasonably, to be in the best interest of the Employer, (ii) of information that is public at the time of the disclosure (other than as a result of the Executive's violation of this Paragraph 7(b)), or (iii) as required by law or legal process (and, if the Executive is so required to disclose, Executive shall provide the Employer notice of such to allow the Company the opportunity to contest such disclosure).

8. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. Additionally, if the Employer determines in good faith that the Executive has incurred a Disability (as hereinafter defined), it may give the Executive written notice of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Employer shall terminate effective on the later of (i) the date in the notice, (ii) the day after receipt of such notice by the Executive, or (iii) the date the Disability has been considered to occur (the "Disability Effective Date"), provided that, prior to such date, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" means a disability that entitles Executive to benefits under the applicable Company long-term disability plan covering Executive and that Executive shall have been unable, due to physical or mental incapacity, to substantially perform Executive's duties and responsibilities hereunder for 180 days out of any 365 day period or for 120 consecutive days and such incapacity will, in the opinion of a qualified physician, be permanent and continuous during the remainder of Executive's life.

(b) Cause. The Employer may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean (i) a material breach by the Executive of the Executive's obligations under Paragraph 2 above (other than as a result of temporary incapacity due to physical or mental illness, or Disability) which is demonstrably willful and deliberate on the Executive's part, which is committed in bad faith or without reasonable belief that such breach is in the best interests of the Employer and which is not remedied in a reasonable period of time after receipt of written notice from the Employer specifying such breach; (ii) the conviction of the Executive of a capital felony; or (iii) a material breach of the Executive's fiduciary duty to the Employer or a willful and deliberate violation in the course of performing his duties for the Employer of relevant laws, rules or regulations (other than traffic violations or other minor offenses) which causes substantial loss, material damage or significant injury to the property or reputation of the Company. (No act or failure to act on the Executive's part shall be considered willful unless done or omitted in bad faith and without reasonable belief that the action or omission was in the best interest of the Employer.) Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered a copy of a resolution duly adopted by the affirmative vote of at least eighty percent (80%) of the membership of the Board (deemed to not include Executive should he be a member of the Board as of such time) at a meeting of the Board called and held for such purpose (after reasonable notice and an opportunity to be remedied and cured as provided herein and/or to be heard by the Board), finding that, in the good faith opinion of the Board, Executive was culpable of the act or omission giving rise to Cause and specifying the particulars in detail. For the avoidance of doubt, Executive shall be provided a reasonable period of time to remedy or cure the matters identified by Employer as constituting Cause, as provided herein, before any resolution alleging Cause on the part of Executive is considered by the Board for adoption.

(c) Good Reason. Executive's employment may be terminated by the Executive at any time for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to Executive of any duties inconsistent in a material respect with Executive's position (including status, offices, titles and reporting requirement that executive reports directly to the President and Chief Executive Officer), authority, duties or responsibilities as contemplated by Paragraph 2 above or any other action by the Employer which results in a diminution in such position, authority, duties or responsibilities in a material respect (including the Executive no longer being the Chief Operating Officer of the Employer continuing as a public company or a publicly held company successor) that is not consented to by Executive;

(ii) a reduction in, or failure to pay Executive's Base Salary, Target Cash Bonus, Target Equity Incentive Award, or any other cash incentive or equity compensation for which Executive is eligible, or any of the benefits enumerated herein, which is more than *de minimis*;

(iii) any failure by the Employer to comply with any of the provisions of this Agreement or any other written equity or compensation agreement in a material respect whether by any action or inaction;

(iv) the Employer's requiring Executive to be based at any office or location other than Jacksonville, Florida;

(v) the Employer's providing notice to Executive pursuant to Paragraph 3 above that the Agreement will not be extended, unless the purpose of such notice is to negotiate the terms of a new agreement between the Employer and the Executive and the notice provides that the Agreement continues in effect until such new agreement is entered into; or

(vi) a Change of Control; for purposes of this Agreement, "Change in Control" shall mean the occurrence of any of the following events:

(A) one person or entity (or more than one person or entity acting as a "group" (as that term is defined in Section 409A-3(i)(5)(v)(B) of the Treasury Regulations) acquires legal or beneficial ownership of stock of the Employer that, together with the stock held legally or beneficially by such person or group, constitutes more than 20% of the total fair market value or total voting power of the stock of such corporation; or

(B) individuals who, as of the date of the signing of this Agreement, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a two-thirds majority of such Board; provided that any individual who becomes a director of the Company subsequent to the date of the signing of this Agreement, whose election, or nomination for election by the Company stockholders, was approved by the vote of at least a two-thirds majority of the directors then in office shall be deemed a member of the Incumbent Board; or

(C) an agreement for the sale of a substantial portion (twenty percent (20%) or more) of the Employer's assets within a twelve (12) month period or a partial or complete liquidation or dissolution of the Employer; or

(D) the merger of the Employer into or consolidation with another entity and, after giving effect to such merger or consolidation, the holders of stock of the Employer immediately prior to such merger or consolidation own less than 51% of the stock of the surviving entity after such merger or consolidation.

Notwithstanding Paragraph 8(c)(vi)(A) above, the Executive shall not have Good Reason if Executive is involved in a "group" (as defined above) which acquires a substantial portion of the Company's assets or stock. For purposes of this Paragraph 8(c), any good faith reasonable determination of "Good Reason" made by the Executive shall be conclusive. However, no such event described hereunder shall constitute Good Reason unless (i) the Executive has given written notice to the Employer specifying the event relied upon for such termination within 30 days after the occurrence of such event; (ii) the Employer has not remedied such within 60 days of receipt of such notice; and (iii) Executive actually terminates Executive's employment for such uncured Good Reason event, on at least ten (10) days' prior written notice, within thirty (30) days following the expiration of such sixty (60) day cure period referred to in clause (ii) above. The Employer and the Executive, upon mutual written agreement, may waive any of the foregoing provisions which would otherwise constitute Good Reason.

(d) Notice of Termination. Any termination by the Employer for Cause, or by the Executive for Good Reason, shall be communicated to the other party by Notice of Termination. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon; (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment; and (iii) specifies the Date of Termination (as defined below). Notice of intent to terminate employment for Good Reason must be provided pursuant to Paragraph 8(c) above. The failure by the Executive or the Employer to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Employer hereunder or preclude the Executive or the Employer from asserting such fact or circumstance in enforcing the Executive's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Employer for Cause, or by the Executive for Good Reason, the date specified in the Notice of Termination as the Date of Termination; (ii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be; and (iii) if the Executive's employment is terminated by either party other than for death, Disability, Cause or Good Reason, the date set forth in the notice required under Paragraph 8(d) above as the date the termination is to be effective.

9. Obligations of the Employer upon Termination.

(a) Upon termination of the Executive's employment for any reason during the Term, Executive shall be entitled to Base Salary, accrued bonus, accrued equity incentive award, vested incentive and equity compensation, and all benefits and reimbursable expenses through the Date of Termination, and to exercise all vested stock options.

(b) Upon the termination of the Executive's employment during the Term by the Executive for Good Reason, or by the Employer for any reason other than Cause, Executive shall in addition be entitled to accelerated vesting of all previously unvested restricted stock including the full amount of any unvested performance-based restricted stock awarded that may still be subject to future performance, without regard to such future performance, and stock options and to exercise the options.

(c) Upon the termination of the Executive's employment during the Term by the Executive for Good Reason, or by the Employer for any reason other than Cause, Executive may require that in lieu of shares of common stock issuable upon the exercise of all stock options, an amount of cash be paid for each option equal to the difference between the quoted closing market price of one share of common stock on the date of termination and the strike price of the stock option. Each stock option will be cancelled as a corresponding cash payment is made. In addition, Executive may require that Employer pay an amount of cash equal to the quoted closing market price of one share of common stock on the date of termination for each share of restricted common stock owned by Executive. The NYSE American quoted closing market price will be utilized for the purposes of this Paragraph 9(c).

(d) In addition, upon the termination of the Executive's employment during the Term by the Executive for Good Reason, or by the Employer for any reason other than Cause or death, the Executive shall be entitled to receive a lump sum payment equal to (i) three (3) times the sum of (A) Executive's Base Salary as of the Date of Termination, and (B) the Executive's maximum target cash bonus opportunity as of the Date of Termination, without regard to achievement of performance targets under any Incentive Plans in place that executive participates in including, without limitation, the maximum Target Cash Bonus opportunity, or, if higher, the largest actual cash bonus amount paid in any of the three years prior to termination; and (C) any other approved bonus arrangement for the year of termination; and (ii) all legal fees and expenses incurred by Executive as a result of such termination, including all such fees and expenses incurred by Executive in contesting or disputing any such termination or in seeking to obtain or enforce any right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Code (as defined in Section 13 below) to any payment or benefit provided under this Agreement. The lump sum payment shall be paid no later than thirty days after the Date of Termination in immediately available United States funds.

10. Indemnification of Executive. The Executive shall be entitled to indemnification and defense by the Employer to the full extent allowed by law, subject to and in accordance with the execution of the Employer's customary indemnification agreement, as established from time to time by the Employer's Board of Directors, to protect the Employer's officers and directors in the ordinary and prudent exercise of their duties to the Employer (the "Indemnification Agreement"), plus the benefits of any insurance coverage that the Employer may purchase or have in effect. To the extent that any such insurance coverage may not be sufficient or applicable, the Executive shall have the right to reimbursement and indemnification by the Employer, in accordance with the Employer's Indemnification Agreement in effect at the time of any relevant loss or claim. Nothing in this Agreement shall be deemed to alter, amend, limit, or vary any of the terms of the Employer's duly approved Indemnification Agreement or its effective date, as modified from time to time within the sole discretion of the Employer's Board of Directors.

11. Mitigation of Damages. Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise. Except as otherwise provided above with respect to certain welfare benefits, the amount of any payment provided for under this Agreement shall not be reduced by any compensation earned by the Executive as the result of self-employment or employment by another employer or otherwise.

12. Tax Effect. If Independent Tax Counsel shall determine that the aggregate payments made and benefits provided to the Executive pursuant to this Agreement and any other payments and benefits provided to the Executive from the Employer, its affiliates and plans which constitute "parachute payments" as defined in Section 280G of the Code (or any successor provision thereto) ("Parachute Payments") would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount (determined by Independent Tax Counsel) such that after payment by the Executive of all taxes (including any Excise Tax) imposed upon the Gross-Up Payment and any interest or penalties imposed with respect to such taxes, the Executive retains from the Gross-Up Payment an amount equal to the Excise Tax imposed upon the payments. For purposes of this Paragraph, "Independent Tax Counsel" shall mean a lawyer, a certified public accountant with a nationally recognized accounting firm, or a compensation consultant with a nationally recognized actuarial and benefits consulting firm with expertise in the area of executive compensation tax law, who shall be selected by the Employer and shall be reasonably acceptable to the Executive, and whose fees and disbursements shall be paid by the Employer.

(a) If Independent Tax Counsel shall determine that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion that the Executive has substantial authority not to report any Excise Tax on the Executive's Federal income tax return. If the Executive is subsequently required to make a payment of any Excise Tax, then the Independent Tax Counsel shall determine the amount of such additional payment ("Gross-Up Underpayment"), and any such Gross-Up Underpayment shall be promptly paid by the Employer to or for the benefit of the Executive. The fees and disbursements of the Independent Tax Counsel shall be paid by the Employer.

(b) The Executive shall notify the Employer in writing within 15 days of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of a Gross-Up Payment. If the Employer notifies the Executive in writing that it desires to contest such claim and that it will bear the costs and provide the indemnification as required by this sentence, the Executive shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim;

(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer;

(iii) cooperate with the Employer in good faith in order to effectively contest such claim; and

(iv) permit the Employer to participate in any proceedings relating to such claim; provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. The Employer shall control all proceedings taken in connection with such contest; provided, however, that if the Employer directs the Executive to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance.

(c) If, after the receipt by the Executive of an amount advanced by the Employer pursuant to this Paragraph 12, the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall, within 10 days, pay to the Employer the amount of such refund, together with any interest paid or credited thereon after taxes applicable thereto.

13. Section 409A. To the greatest extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations promulgated thereunder (collectively, "Section 409A"), the payments to Executive under this Agreement are intended to be exempt from Section 409A, including pursuant to Treasury Regulation sections 1.409A-1(b)(4) (the "short term deferral" exemption) or 1.409A-1(b)(9) (the "separation pay" exemption), and shall be administered accordingly. Notwithstanding anything in this Agreement to the contrary:

(a) To the extent any amounts or benefits payable pursuant to this Agreement constitute "deferred compensation" (within the meaning of Section 409A) and are not exempt from the applicability of Section 409A, then the following shall be applicable under this Agreement:

(i) If any amount paid pursuant to this Agreement is deferred compensation within the meaning of Section 409A, payable as a result of a termination of the Executive's employment, and as of the date of termination of employment giving rise to payment of such amount the Executive is a Specified Employee, then amount(s) that would otherwise be payable during the six (6) month period immediately following such date of termination shall instead be paid, with interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code, on the first business day after the date that is six (6) months following the Executive's "separation from service" (within the meaning of Section 409A) (the "Delayed Payment Date"). As used in this Agreement, the term "Specified Employee" means a "specified employee" as defined in Section 409A(a)(2)(B) (i) of the Code. By way of clarification, "specified employee" means a "key employee" (as defined in Section 416(i) of the Code, disregarding Section 416(i)(5) of the Code) of Employer. The Executive shall be treated as a key employee if the Executive meets the requirement of Section 416(i)(1)(A)(i), (ii), or (iii) of the Code at any time during the twelve (12) month period ending on an "identification date." For purposes of any "Specified Employee" determination hereunder, the "identification date" shall mean the last day of each calendar year;

(ii) Any Section 409A payments which are subject to execution of a waiver and release which may be executed and/or revoked in a calendar year following the calendar year in which the payment event (such as termination of employment) occurs shall commence payment only in such following calendar year as necessary to comply with Section 409A;

(iii) All expense reimbursement or in-kind benefits subject to Section 409A provided under this Agreement or, unless otherwise specified in writing, under any Company program or policy, shall be subject to the following rules: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided during one calendar year may not affect the benefits provided during any other year; (ii) reimbursements shall be paid no later than the end of the calendar year following the year in which Executive incurs such expenses, and Executive shall take all actions necessary to claim all such reimbursements on a timely basis to permit the Company to make all such reimbursement payments prior to the end of said period, and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit;

(iv) Any tax gross-up payments provided under this Agreement shall be paid to the Executive on or before December 31 of the calendar year immediately following the calendar year in which the Executive remits the related taxes; and

(v) Neither Employer nor the Executive or any other person or entity, acting alone or jointly, may exercise any discretion, through an amendment of this Agreement or otherwise, with respect to any payment under this Agreement which is not exempt from the requirements of Section 409A, regarding acceleration or other action or omission in respect of any such non-exempt payment, in a manner which would give rise to taxation under Section 409A.

14. Notices. Any notice provided for in this Agreement shall be given in writing. Notices shall be effective from the date of receipt if delivered personally to the party to whom notice is to be given, or on the second day after mailing if mailed by first class mail, postage prepaid. Notices shall be properly addressed to the parties at their respective addresses set forth below or to such other address as either party may later specify by notice to the other:

If to Employer:

GEE Group, Inc.
Attn: Thomas Vetrano , Chairman of the Compensation Committee of the Board of Directors
7751 Belfort Parkway, Suite 150
Jacksonville, FL 32256

If to Executive:

Alex P. Stuckey
1478 Riverplace Blvd, Unit 407
Jacksonville, FL 32207

15. Entire Agreement. This Agreement contains the entire agreement and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof, including, but not limited to, any and all prior employment agreements and related amendments entered into between the Employer and the Executive (including the Prior Agreement). This Agreement may be changed only by an agreement in writing signed by the party against whom any waiver, change, amendment or modification is sought. Executive waives any rights under the Prior Agreement.

16. Waiver. The waiver by one party of a breach of any of the provisions of this Agreement by the other shall not be construed as a waiver of any subsequent breach.

17. Attorney's Fees. In the event of litigation or other dispute resolution proceeding involving the interpretation or enforcement of this Agreement, Executive shall be entitled to advancement or reimbursement from Employer of all fees, costs and expenses incurred in connection therewith, including attorney's fees through final adjudication.

18. Tax Withholding. The Employer shall have the right to deduct from all benefits and/or payments under the Agreement any taxes required by law to be paid or withheld with respect to such benefits or payments.

19. Governing Law; Venue. The Agreement shall be construed and enforced in accordance with the laws of the State of Florida. Duval County, Florida, shall be proper venue for any litigation arising out of this Agreement.

20. Paragraph Headings. Paragraph headings are for convenience only and are not intended to expand or restrict the scope or substance of the provisions of this Agreement.

21. Assignability. The rights and obligations of the Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Employer. This Agreement is a personal employment agreement and the rights, obligations and interests of the Executive hereunder may not be sold, assigned, transferred, pledged or hypothecated.

22. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall remain in full force and shall in no way be impaired.

23. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to account for more than one such counterpart.

(Signatures appear on the following page.)

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

EXECUTIVE

Alex P. Stuckey, individually

Witness

EMPLOYER

Witness

By: _____
Chairman of Compensation Committee,
Board of Directors

INDEMNITY AGREEMENT

This Indemnity Agreement (“Agreement”) is made as of [DATE] 2023 by and between GEE GROUP, INC., an Illinois corporation (the “Company”), and [NAME OF DIRECTOR OR OFFICER] (“Indemnitee”).

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation.

WHEREAS, the Board of Directors of the Company (the “Board”) has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Amended and Restated Articles of Incorporation (the “Charter”) and the Amended and Restated Bylaws of the Company require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to applicable provisions of the Illinois Business Corporation Act (“IBCA”). The Charter, the Bylaws and the IBCA expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification.

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons.

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company’s stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future.

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified.

WHEREAS, this Agreement is a supplement to and in furtherance of the Charter, the Bylaws of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

WHEREAS, Indemnitee does not regard the protection available under the Company’s Charter, Bylaws and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. Services to the Company. Indemnitee will serve or continue to serve as an officer or director of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee's earlier death, removal or resignation. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Company (or any of its subsidiaries or any Enterprise), if any, is at will, and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director or officer of the Company, by the Company's Charter, the Company's Bylaws, and the IBCA. The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve as an officer, or director of the Company.

2. Definitions. As used in this Agreement:

(a) References to "agent" shall mean any person who is or was a director, officer, or employee of the Company or a subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other enterprise at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company.

(b) The terms "Beneficial Owner" and "Beneficial Ownership" shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act (as defined below) as in effect on the date hereof.

(c) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Change in Board of Directors. Individuals who, as of the date hereof, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board, other than any such cessation that occurs directly or indirectly as a result of or in connection with the issuance of equity securities of the Company in exchange for a reduction in the Company's indebtedness (which resulting change in the Board shall not constitute or cause a Change in Control hereunder), provided that any person becoming a director after the date hereof and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contests with respect to the election or removal of directors (an "Election Contest") or other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board (a "Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director;

(ii) Acquisition of Stock by Third Party. Any Person is or becomes a Beneficial Owner, directly or indirectly, of either (x) 35% or more of the then-outstanding shares of common stock of the Company ("Company Common Stock"), or (y) securities of the Company representing 35% or more of the combined voting power of the Company's then-outstanding securities eligible to vote for the election of directors ("Company Voting Securities"), other than any person becoming a beneficial owner of Company Common Stock or Company Voting Securities in connection with the issuance of the equity securities of the Company in exchange for a reduction in the Company's indebtedness (which situation shall not constitute or cause a Change in Control hereunder); provided, however, that for purposes of this paragraph (ii), the following acquisitions of Company Common Stock or Company Voting Securities shall not constitute a Change in Control: (A) an acquisition directly from the Company; or (B) an acquisition pursuant to a Non-Qualifying Transaction (as defined in paragraph (iii) below);

(iii) Corporate Transactions. The consummation of a recapitalization, reorganization, merger, consolidation, statutory share exchange or similar form of transaction involving the Company or a subsidiary of the Company (a "Reorganization") other than in connection with a Reorganization directly or indirectly involving the issuance of equity securities of the Company in exchange for a reduction in the Company's indebtedness (which Reorganization shall not be considered a Change in Control hereunder), or the sale or other disposition of all or substantially all of the Company's assets (a "Sale") or the acquisition of assets or stock of another entity (an "Acquisition"), unless immediately following such Reorganization, Sale or Acquisition: (A) all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of the outstanding Company Common Stock and outstanding Company Voting Securities immediately prior to such Reorganization, Sale or Acquisition are the Beneficial Owners, directly or indirectly, more than 55% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from or surviving such Reorganization, Sale or Acquisition (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets or stock either directly or through one or more subsidiary entities, the "Surviving Entity") in substantially the same proportions as their ownership, immediately prior to such Reorganization, Sale or Acquisition, of the outstanding Company Common Stock and the outstanding Company Voting Securities, as the case may be; (B) no Person (other than a Surviving Entity, its ultimate parent entity, or any employee benefit plan or related trust sponsored or maintained by either of the foregoing) is the Beneficial Owner, directly or indirectly, of 35% or more of the total common stock or 35% of the total voting power of the outstanding voting securities eligible to elect directors of the Surviving Entity; and (C) at least a majority of the members of the board of directors of the Surviving Entity were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization, Sale or Acquisition (any Reorganization, Sale or Acquisition which satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "Non-Qualifying Transaction"); or

(iv) Liquidation. The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(d) "Corporate Status" describes the status of a person who is or was a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of the Company or of any other Enterprise which such person is or was serving at the request of the Company.

(e) "Illinois Court" shall mean the Circuit Court of the Eighteenth Judicial District of the State of Illinois or another federal or state court of competent jurisdiction.

(f) "Disinterested Director" shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(g) "Enterprise" shall mean the Company and any other corporation, constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger to which the Company (or any of its wholly owned subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent.

(h) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(i) "Expenses" shall include attorneys' fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(j) "Independent Counsel" shall mean a law firm or a member of a law firm that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements); or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(k) References to "fines" shall include any excise tax assessed on Indemnitee with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee, agent or fiduciary of the Company which imposes duties on, or involves services by, such director, officer, employee, agent or fiduciary with respect to an employee benefit plan, its participants or beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

(l) The term "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act as in effect on the date hereof; provided, however, that "Person" shall exclude: (i) the Company; (ii) any Subsidiaries of the Company; (iii) any employment benefit plan of the Company or of a Subsidiary of the Company or of any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company; and (iv) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or of a Subsidiary of the Company or of a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(m) A "Potential Change in Control" shall be deemed to have occurred if: (i) the Company enters into an agreement or arrangement, the consummation of which would result in the occurrence of a Change in Control; (ii) any Person or the Company publicly announces an intention to take or consider taking actions which if consummated would constitute a Change in Control; (iii) any Person who becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 10% or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors increases his Beneficial Ownership of such securities by 10% or more over the percentage so owned by such Person on the date hereof; or (iv) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(n) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative or investigative nature, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action (or failure to act) taken by him or of any action (or failure to act) on his part while acting as a director or officer of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of any other Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses can be provided under this Agreement.

(o) The term "Subsidiary," with respect to any Person, shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by that Person.

3. Indemnity in Third-Party Proceedings. The Company shall indemnify and hold harmless Indemnitee in accordance with the provisions of this Section 3 if Indemnitee was, is, or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe that his conduct was unlawful.

4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify and hold harmless Indemnitee in accordance with the provisions of this Section 4 if Indemnitee was, is, or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that any court in which the Proceeding was brought or an Illinois Court shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful Notwithstanding any other provisions of this Agreement, to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify and hold harmless Indemnitee against all Expenses actually and reasonably incurred by him in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify and hold harmless Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. If the Indemnitee is not wholly successful in such Proceeding, the Company also shall indemnify and hold harmless Indemnitee against all Expenses reasonably incurred in connection with a claim, issue or matter related to any claim, issue, or matter on which the Indemnitee was successful. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, he shall be indemnified and held harmless against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

7. Additional Indemnification.

(a) Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall indemnify and hold harmless Indemnitee if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the Proceeding. No indemnity shall be made under this Section 7(a) on account of Indemnitee's conduct which constitutes a breach of Indemnitee's duty of loyalty to the Company or its stockholders or is an act or omission not in good faith or which involves intentional misconduct or a knowing violation of the law.

(b) Notwithstanding any limitation in Sections 3, 4, 5 or 7(a), the Company shall indemnify and hold harmless Indemnitee if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the Proceeding.

8. Contribution in the Event of Joint Liability.

(a) To the fullest extent permissible under applicable law, if the indemnification and hold harmless rights provided for in this Agreement are unavailable to Indemnitee in whole or in part for any reason whatsoever, the Company, in lieu of indemnifying and holding harmless Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for judgments, liabilities, fines, penalties, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnitee.

(b) The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

(c) The Company hereby agrees to fully indemnify and hold harmless Indemnitee from any claims for contribution which may be brought by officers, directors or employees of the Company other than Indemnitee who may be jointly liable with Indemnitee.

9. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been received by or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount actually received under any insurance policy, contract, agreement, other indemnity provision or otherwise;

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law; or

(c) except as otherwise provided in Sections 14(e)-(f) hereof, prior to a Change in Control, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

10. Advances of Expenses; Defense of Claim.

(a) Notwithstanding any provision of this Agreement to the contrary, and to the fullest extent permitted by applicable law, the Company shall advance the Expenses incurred by Indemnitee (or reasonably expected by Indemnitee to be incurred by Indemnitee within three months) in connection with any Proceeding within ten (10) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing a Proceeding to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances, to the fullest extent permitted by applicable law, solely upon the execution and delivery to the Company of an undertaking providing that the Indemnitee undertakes to repay the advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company under the provisions of this Agreement, the Charter, the Bylaws of the Company, applicable law or otherwise. This Section 10(a) shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 9. In addition, the Company agrees that it shall provide each Indemnitee with the information and resources needed to address any Proceeding arising in connection with such Indemnitee's service as a director or officer of the Company.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

(c) The Company shall not settle any action, claim or Proceeding (in whole or in part) which would impose any Expense, judgment, fine, penalty or limitation on the Indemnitee without the Indemnitee's prior written consent.

11. Procedure for Notification and Application for Indemnification

(a) Indemnitee agrees to notify promptly the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement, or otherwise.

(b) Indemnitee may deliver to the Company a written application to indemnify and hold harmless Indemnitee in accordance with this Agreement. Such application(s) may be delivered from time to time and at such time(s) as Indemnitee deems appropriate in his or her sole discretion. Following such a written application for indemnification by Indemnitee, the Indemnitee's entitlement to indemnification shall be determined according to Section 12(a) of this Agreement.

12. Procedure Upon Application for Indemnification.

(a) A determination, if required by applicable law, with respect to Indemnitee's entitlement to indemnification shall be made in the specific case by one of the following methods, which shall be at the election of Indemnitee: (i) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board or (ii) by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee. The Company promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied. If it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary determination. Any costs or Expenses (including attorneys' disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). The Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected and certifying that the Independent Counsel so selected meets the requirements of "Independent Counsel" as defined in Section 2 of this Agreement. If the Independent Counsel is selected by the Board, the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected and certifying that the Independent Counsel so selected meets the requirements of "Independent Counsel" as defined in Section 2 of this Agreement. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been received, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition an Illinois Court for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by an Illinois Court, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) The Company agrees to pay the reasonable fees and expenses of Independent Counsel and to fully indemnify and hold harmless such Independent Counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

13. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(b) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within thirty (30) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a final judicial determination that any or all such indemnification is expressly prohibited under applicable law; provided, however, that such 30-day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected by the Enterprise. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any other director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

14. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses, to the fullest extent permitted by applicable law, is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within thirty (30) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5, 6, 7 or the last sentence of Section 12(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) a contribution payment is not made in a timely manner pursuant to Section 8 of this Agreement, or (vi) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by an Illinois Court to such indemnification, contribution or advancement of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Except as set forth herein, the provisions of Illinois law (without regard to its conflict of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14, Indemnitee shall be presumed to be entitled to indemnification under this Agreement and the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 12(a) of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 14, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 10 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify and hold harmless Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten (10) days after the Company's receipt of such written request) advance to Indemnitee, to the fullest extent permitted by applicable law, such Expenses which are incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee (i) to enforce his rights under, or to recover damages for breach of, this Agreement or any other indemnification, advancement or contribution agreement or provision of the Charter, or the Company's Bylaws now or hereafter in effect; or (ii) for recovery or advances under any insurance policy maintained by any person for the benefit of Indemnitee, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance, contribution or insurance recovery, as the case may be.

(f) Interest shall be paid by the Company to Indemnitee at the legal rate under Illinois law for amounts which the Company indemnifies or is obliged to indemnify for the period commencing with the date on which Indemnitee requests indemnification, contribution, reimbursement or advancement of any Expenses and ending with the date on which such payment is made to Indemnitee by the Company.

15. Establishment of Trust. In the event of a Potential Change in Control, the Company shall, upon written request by Indemnitee, create a "Trust" for the benefit of Indemnitee and from time to time upon written request of Indemnitee shall fund such Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request to be incurred in connection with investigating, preparing for, participating in or defending any Proceedings, and any and all judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such judgments, fines penalties and amounts paid in settlement) in connection with any and all Proceedings from time to time actually paid or claimed, reasonably anticipated or proposed to be paid. The trustee of the Trust (the "Trustee") shall be a bank or trust company or other individual or entity chosen by the Indemnitee and reasonably acceptable to the Company. Nothing in this Section 15 shall relieve the Company of any of its obligations under this Agreement. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by mutual agreement of the Indemnitee and the Company or, if the Company and the Indemnitee are unable to reach such an agreement, by Independent Counsel selected in accordance with Section 12(b) of this Agreement. The terms of the Trust shall provide that, except upon the consent of both the Indemnitee and the Company, upon a Change in Control: (a) the Trust shall not be revoked or the principal thereof invaded, without the written consent of the Indemnitee; (b) the Trustee shall advance, to the fullest extent permitted by applicable law, within two (2) business days of a request by the Indemnitee and upon the execution and delivery to the Company of an undertaking providing that the Indemnitee undertakes to repay the advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company, any and all Expenses to the Indemnitee; (c) the Trust shall continue to be funded by the Company in accordance with the funding obligations set forth above; (d) the Trustee shall promptly pay to the Indemnitee all amounts for which the Indemnitee shall be entitled to indemnification pursuant to this Agreement or otherwise; and (e) all unexpended funds in such Trust shall revert to the Company upon mutual agreement by the Indemnitee and the Company or, if the Indemnitee and the Company are unable to reach such an agreement, by Independent Counsel selected in accordance with Section 12(b) of this Agreement, that the Indemnitee has been fully indemnified under the terms of this Agreement. The Trust shall be governed by Illinois law (without regard to its conflicts of laws rules) and the Trustee shall consent to the jurisdiction of the Illinois Courts in accordance with Section 23 of this Agreement.

16. Security. Notwithstanding anything herein to the contrary, to the extent requested by the Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to the Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to the Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

17. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Company's Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in applicable law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Charter, the Company's Bylaws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The IBCA, the Charter and the Company's Bylaws permit the Company to purchase and maintain insurance or furnish similar protection or make other arrangements including, but not limited to, providing a trust fund, letter of credit, or surety bond ("Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or incurred by or on behalf of him or in such capacity as a director, officer, employee or agent of the Company, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Agreement or under the IBCA, as it may then be in effect. The purchase, establishment, and maintenance of any such Indemnification Arrangement shall not in any way limit or affect the rights and obligations of the Company or of the Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and the Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any such Indemnification Arrangement.

(c) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, trustees, partners, managing members, fiduciaries, employees, or agents of the Company or of any other Enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, trustee, partner, managing member, fiduciary, employee or agent under such policy or policies. If, at the time the Company receives notice from any source of a Proceeding as to which Indemnitee is a party or a participant (as a witness or otherwise), the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(d) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such Enterprise.

18. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee serves as a director or officer of the Company or as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise which Indemnitee serves at the request of the Company and shall continue thereafter so long as Indemnitee shall be subject to any possible Proceeding (including any rights of appeal thereto and any Proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement) by reason of his Corporate Status, whether or not he is acting in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement.

19. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

20. Enforcement and Binding Effect.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

(b) Without limiting any of the rights of Indemnitee under the Charter or Bylaws of the Company as they may be amended from time to time, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(c) The indemnification and advancement of expenses provided by or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise at the Company's request, and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(d) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(e) The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of such a bond or undertaking.

21. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

22. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) if delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third (3rd) business day after the date on which it is so mailed:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide in writing to the Company.

(b) If to the Company, to:

GEE Group, Inc.
7751 Belfort Parkway, Suite 150
Jacksonville, FL
Attention: []]

or to any other address as may have been furnished to Indemnitee in writing by the Company.

23. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally: (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in an Illinois Court; (b) consent to submit to the jurisdiction of an Illinois Court for purposes of any action or proceeding arising out of or in connection with this Agreement; (c) waive any objection to the laying of venue of any such action or proceeding in an Illinois Court; and (d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in an Illinois Court has been brought in an improper or inconvenient forum, or is subject (in whole or in part) to a jury trial.

24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

25. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

GEE GROUP, INC.

INDEMNITEE

By: _____
Name:
Title:

By: _____
Name:
Address:

CERTIFICATION

I, Derek Dewan, certify that:

1. I have reviewed this Form 10-Q quarterly report for the six months ended March 31, 2023 of GEE Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2023

/s/ Derek Dewan
Derek Dewan
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Kim Thorpe, certify that:

1. I have reviewed this Form 10-Q quarterly report for the six months ended March 31, 2023 of GEE Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2023

/s/ Kim Thorpe
Kim Thorpe
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATIONS PURSUANT TO SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE**

In connection with the Quarterly Report of GEE Group Inc. (the "Company") on Form 10-Q for the six months ended March 31, 2023 filed with the Securities and Exchange Commission (the "Report"), the undersigned hereby certifies, in his capacity as an officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: May 15, 2023

By: /s/ Derek Dewan
Derek Dewan
Chief Executive Office
(Principal Executive Officer)

**CERTIFICATIONS PURSUANT TO SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE**

In connection with the Quarterly Report of GEE Group Inc. (the "Company") on Form 10-Q for the six months ended March 31, 2023 filed with the Securities and Exchange Commission (the "Report"), the undersigned hereby certifies, in his capacity as an officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: May 15, 2023

By: /s/ Kim Thorpe
Kim Thorpe
Senior Vice President and Chief Financial
Officer
(Principal Financial and Accounting Officer)