

Effective September 20, 2019

CORPORATE GOVERNANCE GUIDELINES

The board of directors (the “Board”) of BGSF, Inc. (the “Company”), acting on the recommendation of the Nominating and Corporate Governance Committee, has adopted these Corporate Governance Guidelines to promote the effective functioning of the Board and to assist the Board in fulfilling its responsibilities. The Board will periodically review, evaluate and amend these Corporate Governance Guidelines as it deems appropriate.

1. Director Qualifications

Nominees for directorship will be selected by the Nominating and Corporate Governance Committee. When identifying potential candidates for nomination as director, the Nominating and Corporate Governance Committee may consult whatever sources it deems appropriate, including, but not limited to, referrals from existing directors or officers, recommendations from a third-party search firm, or suggestions from stockholders. In evaluating individuals for nomination as director, the Nominating and Corporate Governance Committee shall select individuals who (a) have skills and experience that can be of assistance to management in operating the Company’s business and (b) demonstrate integrity, accountability and judgment and (c) can be expected to add to the total mix of individuals on the Board of Directors so as to give the Company a Board that is effective, collegial, diverse and responsive to the needs of the Company.

The Board will have a majority of directors who meet the criteria for independence established by the New York Stock Exchange, and committee members will meet the independence requirements of the New York Stock Exchange and applicable law applicable to such committees.

Directors should advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company’s board or board committee.

The Board does not believe it should establish term limits or a mandatory retirement age. While term limits or a mandatory retirement age could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

2. Director Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company’s officers, employees and its outside advisors and auditors. The directors shall also be entitled to have the Company purchase reasonable directors’ and officers’ liability insurance on their behalf, to the benefits of indemnification

to the fullest extent permitted by law and the Company's charter, by laws and any indemnification agreements, and to exculpation as provided by state law and the Company's charter.

Directors are expected to attend the Annual Meeting of Stockholders, Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

The agenda for each Board meeting shall be established by the Chairman. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

The non-management directors will meet in executive session before or after each Board meeting and at such other times as they deem appropriate.

3. Board Committees

The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. All of the members of these committees will be independent directors under the criteria established by the New York Stock Exchange. Committee members will be appointed by the Board.

The Chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda.

The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

4. Director Access to Officers, Employees and Advisors

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the Chief Executive Officer on any written communications between a director and an officer or employee of the Company.

The Board and Committees shall have the autonomy to retain such outside professionals to act as advisors as may be deemed necessary or appropriate in the discharge of their duties. The Company shall provide appropriate funding for such advisors.

5. Director Compensation

Compensation of each non-employee director shall be determined from time-to-time by the Board, in its discretion, and may consist of any one or more of (a) an annual cash fee for serving on the Board, (b) a cash payment for each Board meeting attended, (c) an annual cash fee for each Committee on which the director serves, (d) an annual cash fee for each Committee chair, (e) an annual grant of stock options, or (f) an annual grant of restricted or unrestricted stock. Directors who are employee should not receive additional compensation for services as a director.

6. Related Party Transactions

Directors and officers are expected to report any transaction that the Company would be required to disclose pursuant to Item 404(a) of Securities and Exchange Commission Regulation S-K (a “Related-Party Transaction”) to the Audit Committee. All such Related-Party Transactions shall be subject to the review and approval of the non-interested members of the Audit Committee. In determining whether to approve any such transaction, the Audit Committee will consider such factors as it deems relevant, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in arm’s length negotiations with an unrelated third party.

7. Director Orientation and Continuing Education

To the extent requested, the Company shall make available an orientation program for all newly elected or appointed directors so that they may be fully informed as to their responsibilities and the means at their disposal for the effective discharge of such responsibilities. This orientation will include presentations by senior management to familiarize the new director with the Company’s strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Ethics and Business Conduct, its principal officers, and its internal and independent auditors. All other directors are also invited to attend the orientation program. Other programs will be scheduled from time-to-time as deemed appropriate.

8. Chief Executive Officer

If the Board so determines, the same individual may serve as both Chairman of the Board and Chief Executive Officer.

The Chief Executive Officer shall be the official spokesperson of the Company in dealings with the press or third parties. The Chief Executive Officer may delegate specific tasks to one or more officers or employees.

The entire Board will work with the Nominating and Governance Committee to prepare a succession plan for the Chief Executive Officer, which plan shall be reviewed annually. The succession plan shall specify (1) criteria that reflect the Company’s business

strategy, (2) possible internal candidates, (3) methods for identifying external candidates, (4) a formal assessment process for evaluating candidates, and (5) emergency procedures to be followed in the event of a sudden unanticipated vacancy. The Company's proxy statement for its annual meeting of stockholders shall confirm that the Board has adopted a succession plan and that the plan has been reviewed during the past year. The Chief Executive Officer should make available to the Board his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

9. Annual Performance Evaluation

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively.

10. Director Succession

The nominating and governance committee is responsible for developing and periodically reviewing succession plans for the directors. The nominating and governance committee will periodically report to the Board of Directors on these matters.