UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

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x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2015
or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission file number: 000-50129

HUDSON GLOBAL, INC.
(Exact name of registrant as specified in its charter)

Delaware	**59-3547281**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

1325 Avenue of the Americas, New York, NY 10019

(Address of principal executive offices) (Zip Code)
(212) 351-7300
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock, $0.001 par value	**The NASDAQ Stock Market LLC**
Preferred Share Purchase Rights	**The NASDAQ Stock Market LLC**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Securities Act. Yes o No x

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 x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit to post such flies). Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

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 definition of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	o	Accelerated filer	x
Non-accelerated filer	o	Smaller reporting company	o

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

The aggregate market value of the voting common stock held by non-affiliates of the registrant was approximately $72,242,000 based on the closing price of the Common Stock on the NASDAQ Global Select Market on June 30, 2015.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding on January 31, 2016**
Common Stock - $0.001 par value	**35,475,048**

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the 2016 Annual Meeting of Stockholders are incorporated by reference into Part III.

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PART I

ITEM 1. BUSINESS

Hudson Global, Inc. (the “Company” or “Hudson”, “we”, “us” and “our”) provides highly specialized professional-level recruitment and related talent solutions worldwide. Core service offerings include Permanent Recruitment, Temporary Contracting, Recruitment Process Outsourcing (“RPO”) and Talent Management Solutions. Hudson has approximately 1,600 employees and operates in 12 countries with three reportable geographic business segments: Hudson Americas, Hudson Asia Pacific, and Hudson Europe.

For the year ended December 31, 2015, the amounts and percentage of the Company’s total gross margin from the three reportable segments were as follows:

	Gross Margin	
	Amount	Percentage
Hudson Americas	$ 16,111	8.6%
Hudson Asia Pacific	89,682	47.8%
Hudson Europe	81,917	43.6%
Total	$ 187,710	100.0%

The Company's core service offerings include those services described below:

Permanent Recruitment: Offered on both a retained and contingent basis, Hudson's Permanent Recruitment services leverage the Company's 1,200 consultants, supported by the Company's specialists in the delivery of its proprietary methods to identify, select and engage the best-fit talent for critical client roles.

Temporary Contracting: In Temporary Contracting, Hudson provides a range of project management, interim management and professional contract staffing services. These services draw upon a combination of specialized recruiting and project management competencies to deliver a wide range of solutions. Hudson-employed professionals - either individually or as a team - are placed with client organizations for a defined period of time based on specific business need.

RPO: Hudson RPO delivers both permanent recruitment and temporary contracting outsourced recruitment solutions tailored to the individual needs of primarily mid-to-large-cap multinational companies. Hudson RPO's delivery teams utilize state-of-the-art recruitment process methodologies and project management expertise in their flexible, turnkey solutions to meet clients' ongoing business needs. Hudson RPO services include complete recruitment outsourcing, project-based outsourcing, contingent workforce solutions and recruitment consulting.

Talent Management Solutions: Featuring embedded proprietary talent assessment and selection methodologies, Hudson's Talent Management Solutions capability encompasses services such as talent assessment (utilizing a variety of competency, attitude and experiential testing), interview training, executive coaching, employee development and outplacement.

On June 15, 2015, the Company completed the sale of substantially all of the assets (excluding working capital) of its Hudson Information Technology (US) business (the "US IT business") to Mastech, Inc. As a result, the Company no longer has an Americas' Information Technology temporary contracting practice. The Company also completed the sale of its Netherlands business to InterBalanceGroup BV effective April 30, 2015. The results of both the US IT business and Netherlands were included in the Company's continuing operations as they did not meet the criteria for discontinued operations under the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 205, *"Presentation of Financial Statements."*

On November 7, 2014, the Company completed the sale of substantially all of the assets and liabilities of its Legal eDiscovery business in the United States and United Kingdom. The Company no longer has operations in the Legal eDiscovery business. In addition, the Company ceased operations in Sweden, which was included within the Hudson Europe segment during the third quarter of 2014. The Company concluded that the divestiture of its Legal eDiscovery business and the cessation of operations in Sweden meet the criteria for discontinued operations set forth in ASC No. 205, *"Presentation of Financial Statements."* The Company reclassified its discontinued operations for all periods presented and has excluded the results from continuing operations and from segment results for all periods presented.

CLIENTS

The Company's clients include small to large-sized corporations and government agencies. For the year ended December 31, 2015, within revenue from continuing operations, there was approximately 130 Hudson Americas clients (as compared to approximately 150 in 2014), 2,600 Hudson Asia Pacific clients (as compared to 2,300 in 2014) and 3,500 Hudson Europe clients (as compared to 3,400 in 2014).

In 2015, the Company completed the sale of its US IT business and Netherlands operations, which consisted of approximately 90 clients and 150 clients, respectively and were included in continuing operations. In 2014, the Company exited its Legal eDiscovery business in the U.S. and U.K. markets as well as its operations in Sweden, which consisted of approximately 155 clients, 20 clients, and 70 clients, respectively and were included in discontinued operations.

For the year ended December 31, 2015, no single client accounted for more than 10% of the Company's total revenue. As of December 31, 2015, no single client accounted for more than 10% of the Company's total outstanding accounts receivable.

EMPLOYEES

The Company employs approximately 1,600 people worldwide. In most jurisdictions, the Company's employees are not represented by a labor union or covered by a collective bargaining agreement. The Company regards its relationships with its employees as satisfactory.

SALES AND MARKETING

The majority of Hudson's employees include approximately 1,200 client-facing consultants who sell its portfolio of services to its existing client base of approximately 6,300 companies and to prospective client organizations. The Company's consultant population has deep expertise in specific functional areas and industry sectors, and provides broad-based recruitment and solution services based on the needs of the client on a regional and global basis.

COMPETITION

The markets for the Company's services and products are highly competitive. There are few barriers to entry, so new entrants occur frequently, resulting in considerable market fragmentation. Companies in this industry compete on a number of parameters, including degree and quality of candidate and position knowledge, industry expertise, service quality, and efficiency in completing assignments. Typically, companies with greater strength in these parameters garner higher margins.

SEGMENT AND GEOGRAPHIC DATA

Financial information concerning the Company's reportable segments and geographic areas of operation is included in Note 19 of the Notes to Consolidated Financial Statements contained in Item 8 of this Form 10-K.

AVAILABLE INFORMATION

We maintain a website with the address *www.hudson.com*. We are not including the information contained on our website as part of, or incorporating it by reference into, this report. Through our website, we make available free of charge (other than an investor's own Internet access charges) our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to these reports in a timely manner after we provide them to the Securities and Exchange Commission.

ITEM 1A. RISK FACTORS

The following risk factors and other information included in this Annual Report on Form 10-K should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. If any of the following risks occur, our business, financial condition, results of operations, and cash flows could be materially adversely affected.

Our operations will be affected by global economic fluctuations.

Clients' demand for our services may fluctuate widely with changes in economic conditions in the markets in which we operate. Those conditions include slower employment growth or reductions in employment, which directly impact our service offerings. We have limited flexibility to reduce expenses during economic downturns due to some overhead costs that are fixed in the short-term. Furthermore, we may face increased pricing pressures during these periods. For example, in prior economic downturns, many employers in our operating regions reduced their overall workforce to reflect the slowing demand for their products and services.

We may not be able to successfully execute our strategic initiatives or meet our long-term financial goals.

We have been engaged in strategic initiatives to refocus on our core business to maximize long-term stockholder value, to improve our cost structure and efficiency and to increase our selling efforts and developing new business. We cannot provide any assurance that we will be able to successfully execute these or other strategic initiatives or that we will be able to execute these initiatives on our expected timetable. We may not be successful in refocusing our core business and obtaining operational efficiencies or replacing revenues lost as a result of these strategic initiatives.

Our operating results fluctuate from quarter to quarter; no single quarter is predictive of future periods' results.

Our operating results fluctuate quarter to quarter primarily due to the vacation periods during the first quarter in the Asia Pacific region and the third quarter in the Americas and Europe regions. Demand for our services is typically lower during traditional national vacation periods when clients and candidates are on vacation.

Our revenue can vary because our clients can terminate their relationship with us at any time with limited or no penalty.

We focus on providing professional mid-level personnel on a temporary assignment-by-assignment basis, which clients can generally terminate at any time or reduce their level of use when compared to prior periods. Our professional recruitment business is also significantly affected by our clients' hiring needs and their views of their future prospects. These factors can also affect our RPO business. Clients may, on very short notice, terminate, reduce or postpone their recruiting assignments with us and, therefore, affect demand for our services. This could have a material adverse effect on our business, financial condition and results of operations.

Our markets are highly competitive.

The markets for our services are highly competitive. Our markets are characterized by pressures to provide high levels of service, incorporate new capabilities and technologies, accelerate job completion schedules and reduce prices. Furthermore, we face competition from a number of sources. These sources include other executive search firms and professional search, staffing and consulting firms. Several of our competitors have greater financial and marketing resources than we do. Due to competition, we may experience reduced margins on our services, loss of market share and our customers. If we are not able to compete effectively with current or future competitors as a result of these and other factors, our business, financial condition and results of operations could be materially adversely affected.

We have no significant proprietary technology that would preclude or inhibit competitors from entering the mid-level professional staffing markets. We cannot provide assurance that existing or future competitors will not develop or offer services that provide significant performance, price, creative or other advantages over our services. In addition, we believe that, with continuing development and increased availability of information technology, the industries in which we compete may attract new competitors. Specifically, the increased use of the Internet may attract technology-oriented companies to the professional staffing industry. We cannot provide assurance that we will be able to continue to compete effectively against existing or future competitors. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

We have had periods of negative cash flows and operating losses that may recur in the future.

We have experienced negative cash flows and reported operating and net losses in the past. For example, we had operating and net losses for the years ended December 31, 2014 and 2013. We cannot provide any assurance that we will have positive cash flows or operating profitability in the future, particularly to the extent the global economy continues to recover slowly from the global economic downturn. If our revenue declines or if operating expenses exceed our expectations, we may not be profitable and may not generate positive operating cash flows.

Our credit facilities restrict our operating flexibility.

Our credit facilities contain various restrictions and covenants that restrict our operating flexibility including:

- borrowings limited to eligible receivables;
- lenders' ability to impose restrictions, such as payroll or other reserves;
- limitations on payments of dividends by our subsidiaries to us, which may restrict our ability to pay dividends to our shareholders;
- restrictions on our ability to make additional borrowings, or to consolidate, merge or otherwise fundamentally change our ownership;
- limitations on capital expenditures, investments, dispositions of assets, guarantees of indebtedness, permitted acquisitions and repurchases of stock; and
- limitations on certain intercompany payments of expenses, interest and dividends.

These restrictions and covenants could have adverse consequences for investors, including the consequences of our need to use a portion of our cash flow from operations for debt service, rather than for our operations, restrictions on our ability to incur additional debt financing for future working capital or capital expenditures, a lesser ability for us to take advantage of significant business opportunities, such as acquisition opportunities, the potential need for us to undertake equity transactions which may dilute the ownership of existing investors, and our inability to react to market conditions by selling lesser-performing assets.

In addition, a default, amendment or waiver to our credit facilities to avoid a default may result in higher rates of interest and could impact our ability to obtain additional borrowings. Finally, debt incurred under our credit facilities bears interest at variable rates. Any increase in interest expense could reduce the funds available for operations.

Extensions of credit under our existing agreements are permitted based on a borrowing base, which is an agreed percentage of eligible accounts receivable, less required reserves, applicable letters of credit and outstanding borrowings. If the amount or quality of our accounts receivable deteriorates, then our ability to borrow under these credit facilities will be directly affected. Furthermore, our receivables facilities with National Australia Bank Limited and Bank of New Zealand do not have a stated maturity date and can be terminated by National Australia Bank Limited and Bank of New Zealand upon 90 days' written notice. We cannot provide assurance that we will be able to borrow under these credit facilities if we need money to fund working capital or other needs.

If sources of liquidity are not available or if we cannot generate sufficient cash flows from operations, then we may be required to obtain additional sources of funds through additional operating improvements, capital markets transactions, asset sales or financing from third parties, or a combination thereof and, under certain conditions, such transactions could substantially dilute the ownership of existing stockholders. We cannot provide assurance that the additional sources of funds will be available, or if available, would have reasonable terms.

Our investment strategy subjects us to risks.

From time to time, we make investments as part of our growth plans. Investments may not perform as expected because they are dependent on a variety of factors, including our ability to effectively integrate new personnel and operations, our ability to sell new services, and our ability to retain existing or gain new clients. Furthermore, we may need to borrow more money from lenders or sell equity or debt securities to the public to finance future investments and the terms of these financings may be adverse to us.

We face risks related to our international operations.

We conduct operations in 12 countries and face both translation and transaction risks related to foreign currency exchange. For the year ended December 31, 2015, approximately 91% of our gross margin was earned outside of the United States ("U.S."). Our financial results could be materially affected by a number of factors particular to international operations. These include, but are not limited to, difficulties in staffing and managing international operations, operational issues such as longer customer payment cycles and greater difficulties in collecting accounts receivable, changes in tax laws or other regulatory requirements, issues relating to uncertainties of laws and enforcement relating to the regulation and protection of intellectual property, and currency fluctuation. If we are forced to discontinue any of our international operations, we could incur material costs to close down such operations.

Regarding the foreign currency risk inherent in international operations, the results of our local operations are reported in the applicable foreign currencies and then translated into U.S. dollars at the applicable foreign currency exchange rates for inclusion in our financial statements. In addition, we generally pay operating expenses in the corresponding local currency. Because of devaluations and fluctuations in currency exchange rates or the imposition of limitations on conversion of foreign currencies into U.S. dollars, we are subject to currency translation exposure on the revenue and income of our operations in addition to economic exposure. Our consolidated U.S. dollar cash balance could be lower because a significant amount of cash is generated outside of the U.S. This risk could have a material adverse effect on our business, financial condition and results of operations.

We depend on our key management personnel.

Our success depends to a significant extent on our senior management team. The loss of the services of one or more key senior management team member could have a material adverse effect on our business, financial condition and results of operations. In addition, if one or more key employees join a competitor or form a competing company, the resulting loss of existing or potential clients could have a material adverse effect on our business, financial condition and results of operations.

Failure to attract and retain qualified personnel could negatively impact our business, financial condition and results of operations.

Our success also depends upon our ability to attract and retain highly-skilled professionals who possess the skills and experience necessary to meet the staffing requirements of our clients. We must continually evaluate and upgrade our base of available qualified personnel to keep pace with changing client needs and emerging technologies. Furthermore, a substantial number of our contractors during any given year may terminate their employment with us and accept regular staff employment with our clients. Competition for qualified professionals with proven skills is intense, and demand for these individuals is expected to remain strong for the foreseeable future. There can be no assurance that qualified personnel will continue to be available to us in sufficient numbers. If we are unable to attract the necessary qualified personnel for our clients, it may have a negative impact on our business, financial condition and results of operations.

We face risks in collecting our accounts receivable.

In virtually all of our businesses, we invoice customers after providing services, which creates accounts receivable. Delays or defaults in payments owed to us could have a significant adverse impact on our business, financial condition and results of operations. Factors that could cause a delay or default include, but are not limited to, global economic conditions, business failures, and turmoil in the financial and credit markets.

In certain situations, we provide our services to clients under a contractual relationship with a third-party vendor manager, rather than directly to the client. In those circumstances, the third-party vendor manager is typically responsible for aggregating billing information, collecting receivables from the client and paying staffing suppliers once funds are received from the client. In the event that the client has paid the vendor manager for our services and we are unable to collect from the vendor manager, we may be exposed to financial losses.

If we are unable to maintain costs at an acceptable level, our operations could be adversely impacted.

Our ability to reduce costs in line with our revenues is important for the improvement of our profitability. Efforts to improve our efficiency could be affected by several factors including turnover, client demands, market conditions, changes in laws, and availability of talent. If we fail to realize the expected benefits of these cost reduction initiatives, this could have an adverse effect on our financial condition and results of operations.

We rely on our information systems, and if we lose our information processing capabilities or fail to further develop our technology, our business could be adversely affected.

Our success depends in large part upon our ability to store, retrieve, process, and manage substantial amounts of information, including our client and candidate databases. To achieve our strategic objectives and to remain competitive, we must continue to develop and enhance our information systems. This may require the acquisition of equipment and software and the development, either internally or through independent consultants, of new proprietary software. If we are unable to design, develop, implement and utilize, in a cost-effective manner, information systems that provide the capabilities necessary for us to compete effectively, or if we experience any interruption or loss of our information processing capabilities, for any reason, this could adversely affect our business, financial condition and results of operations.

As we operate in an international environment, we are subject to greater cyber-security risks and incidents. We also use mobile devices, social networking and other online activities to connect with our candidates, clients and business partners. While we have implemented measures to prevent security breaches and cyber incidents, our measures may not be effective and any security breaches or cyber incidents could adversely affect our business, financial condition and results of operations.

Our business depends on uninterrupted service to clients.

Our operations depend on our ability to protect our facilities, computer and telecommunication equipment and software systems against damage or interruption from fire, power loss, cyber attacks, sabotage, telecommunications interruption, weather conditions, natural disasters and other similar events. Additionally, severe weather can cause our employees or contractors to miss work and interrupt delivery of our service, potentially resulting in a loss of revenue. While interruptions of these types that have occurred in the past have not caused material disruption, it is not possible to predict the type, severity or frequency of interruptions in the future or their impact on our business.

We may be exposed to employment-related claims, legal liability and costs from clients, employees and regulatory authorities that could adversely affect our business, financial condition or results of operations, and our insurance coverage may not cover all of our potential liability.

We are in the business of employing people and placing them in the workplaces of other businesses. Risks relating to these activities include:

- claims of misconduct or negligence on the part of our employees;
- claims by our employees of discrimination or harassment directed at them, including claims relating to actions of our clients;
- claims related to the employment of illegal aliens or unlicensed personnel;
- claims for payment of workers' compensation and other similar claims;
- claims for violations of wage and hour requirements;
- claims for entitlement to employee benefits;
- claims of errors and omissions of our temporary employees;
- claims by taxing authorities related to our independent contractors and the risk that such contractors could be considered employees for tax purposes;
- claims by candidates that we place for wrongful termination or denial of employment;
- claims related to our non-compliance with data protection laws, which require the consent of a candidate to transfer resumes and other data; and
- claims by our clients relating to our employees' misuse of client proprietary information, misappropriation of funds, other misconduct, criminal activity or similar claims.

We are exposed to potential claims with respect to the recruitment process. A client could assert a claim for matters such as breach of a blocking arrangement or recommending a candidate who subsequently proves to be unsuitable for the position filled. Similarly, a client could assert a claim for deceptive trade practices on the grounds that we failed to disclose certain referral information about the candidate or misrepresented material information about the candidate. Further, the current employer of a candidate whom we place could file a claim against us alleging interference with an employment contract. In addition, a candidate could assert an action against us for failure to maintain the confidentiality of the candidate's employment search or for alleged discrimination or other violations of employment law by one of our clients.

We may incur fines and other losses or negative publicity with respect to these problems. In addition, some or all of these claims may give rise to litigation, which could be time-consuming to our management team, costly and could have a negative effect on our business. In some cases, we have agreed to indemnify our clients against some or all of these types of liabilities. We cannot assure that we will not experience these problems in the future, that our insurance will cover all claims, or that our insurance coverage will continue to be available at economically-feasible rates.

It is possible that we may still incur liabilities associated with certain pre-spin off activities with Monster Worldwide, Inc. ("Monster"). Under the terms of our Distribution Agreement with Monster, these liabilities generally will continue to be retained by us. If these liabilities are significant, the retained liabilities could have a material adverse effect on our business, financial condition and results of operations. However, in some circumstances, we may have claims against Monster, and we will make a determination on a case by case basis.

Our ability to utilize net operating loss carry-forwards may be limited.

The Company has U.S. net operating loss carry-forwards (“NOLs”) that expire through 2035. Section 382 of the U.S. Internal Revenue Code imposes an annual limitation on a corporation's ability to utilize NOLs if it experiences an “ownership change.” In general terms, an ownership change may result from transactions increasing the ownership of certain stockholders in the stock of a corporation by greater than 50% over a three-year period. The Company has experienced ownership changes in the past. Ownership changes in our stock, some of which are outside of our control, could result in a limitation in our ability to use our NOLs to offset future taxable income, could cause U.S. Federal income taxes to be paid earlier than otherwise would be paid if such limitation were not in effect and could cause such NOLs to expire unused, reducing or eliminating the benefit of such NOLs.

There may be volatility in our stock price.

The market price for our common stock has fluctuated in the past and could fluctuate substantially in the future. For example, during 2015, the market price of our common stock reported on the NASDAQ Global Select Market ranged from a high of $3.24 to a low of $1.98. Factors such as general macroeconomic conditions adverse to workforce expansion, the announcement of variations in our quarterly financial results or changes in our expected financial results could cause the market price of our common stock to fluctuate significantly. Further, due to the volatility of the stock market generally, the price of our common stock could fluctuate for reasons unrelated to our operating performance.

Our future earnings could be reduced as a result of the imposition of licensing or tax requirements or new regulations that prohibit, or restrict certain types of employment services we offer.

In many jurisdictions in which we operate, the provision of temporary staffing is heavily regulated. For example, governmental regulations can restrict the length of contracts of contract employees and the industries in which they may be used. In some countries, special taxes, fees or costs are imposed in connection with the use of contract workers.

The countries in which we operate may:

- create additional regulations that prohibit or restrict the types of employment services that we currently provide;
- impose new or additional benefit requirements;
- require us to obtain additional licensing to provide staffing services;
- impose new or additional visa restrictions on movements between countries;
- increase taxes, such as sales or value-added taxes, payable by the providers of staffing services;

- increase the number of various tax and compliance audits relating to a variety of regulations, including wage and hour laws, unemployment taxes, workers' compensation, immigration, and income, value-added and sales taxes; or

- revise transfer pricing laws or successfully challenge our transfer prices, which may result in higher foreign taxes or tax liabilities or double taxation of our foreign operations.

Any future regulations that make it more difficult or expensive for us to continue to provide our staffing services may have a material adverse effect on our business, financial condition and results of operations.

Provisions in our organizational documents and Delaware law will make it more difficult for someone to acquire control of us.

Our certificate of incorporation and by-laws and the Delaware General Corporation Law contain several provisions that make it more difficult to acquire control of us in a transaction not approved by our Board of Directors, including transactions in which stockholders might otherwise receive a premium for their shares over then current prices, and that may limit the ability of stockholders to approve transactions that they may deem to be in their best interests. Our certificate of incorporation and by-laws currently include provisions:

- authorizing our Board of Directors to issue shares of our preferred stock in one or more series without further authorization of our stockholders;

- requiring that stockholders provide advance notice of any stockholder nomination of directors or any new business to be considered at any meeting of stockholders; and

- providing that vacancies on our Board of Directors will be filled by the remaining directors then in office.

In addition, Section 203 of the Delaware General Corporation Law generally provides that a corporation may not engage in any business combination with any interested stockholder during the three-year period following the time that the stockholder becomes an interested stockholder, unless a majority of the directors then in office approve either the business combination or the transaction that results in the stockholder becoming an interested stockholder or specified stockholder approval requirements are met.

In February 2005, our Board of Directors adopted a Rights Agreement between the Company and a rights agent (the "2005 Rights Agreement") and declared a dividend of one preferred share purchase right (a “Right”) for each outstanding share of our common stock payable upon the close of business on February 28, 2005 to the stockholders of record on that date. On January 15, 2015, our Board of Directors approved an amendment and restatement of the 2005 Rights Agreement by adopting an Amended and Restated Rights Agreement (the "Rights Agreement") between the Company and a rights agent. The Board adopted the Rights Agreement in an effort to protect stockholder value by attempting to diminish the risk that the Company's ability to use its net operating losses ("NOLs") to reduce potential future Federal income tax obligations may become substantially limited. Each Right entitles the registered holder to purchase from us one one-hundredth ($1/100^{th}$) of a share of our Series A Junior Participating Preferred Stock (“Preferred Shares”) at a price of $8.50 per one one-hundredth of a Preferred Share, subject to adjustment. If any person becomes a 4.99% or more stockholder of the Company, then each Right (subject to certain limitations) will entitle its holder to purchase, at the Right's then current exercise price, a number of shares of common stock of the Company or of the acquirer having a market value at the time of twice the Right's per share exercise price. The Company's Board of Directors may redeem the Rights for $0.001 per Right at any time prior to the time when the Rights become exercisable. The Rights will expire on the earliest of (i) January 15, 2018, (ii) the time at which the Rights are redeemed as described above, (iii) the time at which the Rights are exchanged pursuant to the terms of the Rights Agreement, (iv) the repeal of Section 382 of the Internal Revenue Code if the Board determines that the Rights Agreement is no longer necessary for the preservation of the Company’s NOLs, and (v) the beginning of a taxable year of the Company to which the Board determines that no NOLs may be carried forward. The Rights may have certain anti-takeover effects. The Rights may cause substantial dilution to any person or group that attempts to acquire the Company without the approval of the Board. As a result, the overall effect of the rights may be to render more difficult or discourage a merger, tender offer or other business combination involving the Company that is not supported by the Board.

Proxy contests and any other actions of activist stockholders could have a negative effect on our business.

The Company experienced a proxy contest from activist stockholders in connection with its 2014 annual meeting of stockholders. If further proxy contests or any other dissident stockholder activities ensue, then our business could be adversely affected because responding to proxy contests, litigation and other actions by dissident stockholders can be costly and time-consuming, disrupt our operations and divert the attention of management and our employees. In addition, perceived uncertainties as to our future direction may result in the loss of potential business opportunities and harm our ability to attract new investors and clients and to retain and attract experienced management and employees. Also, we may experience a significant increase in legal fees, administrative and associated costs incurred in connection with responding to a proxy contest or related action. These actions could also cause our stock price to experience periods of volatility or stagnation.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

All of the Company's operating offices are located in leased premises. Our principal executive office is located at 1325 Avenue of the Americas, New York, New York, 10019, where we occupy space under a lease expiring in December 2016 with approximately 8,000 aggregate square feet.

Hudson Americas shares our principal executive office and maintains no other leased locations. Hudson Asia Pacific maintains 14 leased locations with approximately 149,000 aggregate square feet. Hudson Europe maintains 18 leased locations with approximately 160,000 aggregate square feet. All leased space is considered to be adequate for the operation of its business, and no difficulties are foreseen in meeting any future space requirements.

ITEM 3. LEGAL PROCEEDINGS

The Company is involved in various legal proceedings that are incidental to the conduct of its business. The Company is not involved in any pending or threatened legal proceedings that it believes could reasonably be expected to have a material adverse effect on its financial condition or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information, as of March 3, 2016, regarding the executive officers of Hudson Global, Inc.:

Name	Age	Title
Stephen A. Nolan	55	Chief Executive Officer
Patrick Lyons	52	Chief Financial Officer and Chief Accounting Officer
David F. Kirby	41	Senior Vice President, Treasury and Investor Relations

The following biographies describe the business experience of our executive officers:

Stephen A. Nolan has served as Chief Executive Officer since May 2015, with overall responsibility for the Company’s growth strategy, operational execution, and overall performance. Until August 2015, Mr. Nolan also served concurrently as Executive Vice President and Chief Financial Officer, a position he held since joining the Company in May 2013. Mr. Nolan also served as the Company’s Controller from March 2014 to March 2015. Mr. Nolan has more than 30 years of experience in accounting and finance, and has served as Chief Financial Officer for both Adecco Group North America and DHL Global Forwarding North America. From 2004 until 2012, Mr. Nolan served as Chief Financial Officer of Adecco Group North America, a staffing and human capital division of Adecco SA, one of the world’s leading human resources service providers. During his tenure at Adecco, he helped drive strong performance during a market downturn, spearheaded a major back office transformation and led the acquisition of MPS. Earlier in his career, he spent 15 years with Reckitt Benckiser, including two in the UK. Mr. Nolan is a Chartered Accountant and began his career as Audit Senior with PricewaterhouseCoopers in Ireland.

Patrick Lyons has served as Chief Financial Officer and Chief Accounting Officer since August 2015 with overall responsibility for the Company's global accounting and finance functions. Prior to that, Mr. Lyons served as Vice President, Planning since 2010 and prior to that as Chief Financial Officer, Americas, since joining the Company in 2006. Having served for more than 25 years in professional services financial management and leadership roles, Mr. Lyons combines analytical rigor with hands-on execution focus, driving accountability and accuracy in financial reporting, cost control and profitability. Before joining the Company, Mr. Lyons held Chief Financial Officer roles at two staffing companies, Strategic Legal Resources and Adecco Staffing USA. Previously, Mr. Lyons worked for the TNT Group and Arthur Andersen where he qualified as a Chartered Accountant.

David F. Kirby, has served as Senior Vice President, Treasury and Investor Relations since August 2015. Prior to that, Mr. Kirby served as Vice President, Finance since 2011 and as Assistant Treasurer since 2008. Prior to that, Mr. Kirby served in a variety of roles in finance, treasury and investor relations since joining the Company in 2001. Prior to joining the Company, Mr. Kirby held positions at TMP Worldwide, TransportEdge, and Merrill Lynch.

Executive officers are elected by and serve at the discretion of the Board of Directors. There are no family relationships between any of our directors or executive officers.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET FOR COMMON STOCK

The Company's common stock was listed for trading on the NASDAQ Global Select Market during 2015 under the symbol "HSON." On January 31, 2016, there were approximately 423 holders of record of the Company's common stock.

The following is a list by fiscal quarter of the market prices of the Company's common stock.

	Market Price	
	High	Low
2015		
Fourth quarter	$ 2.98	$ 2.10
Third quarter	$ 3.24	$ 2.10
Second quarter	$ 3.10	$ 2.11
First quarter	$ 3.23	$ 1.98
2014		
Fourth quarter	$ 3.84	$ 2.69
Third quarter	$ 4.06	$ 3.49
Second quarter	$ 4.33	$ 3.33
First quarter	$ 4.17	$ 3.31

DIVIDENDS

We historically have not declared or paid cash dividends on our common stock. In December 2015, our Board of Directors determined that we intend to pay a regular, quarterly cash dividend on our common stock. Our Board of Directors declared a dividend of $0.05 per share to be issued following the release of the Company’s fourth quarter 2015 earnings results. On March 2, 2016, our Board of Directors determined that the first cash dividend, set at $0.05 per share, will be paid on March 25, 2016 to shareholders of record as of March 15, 2016. However, the payment of any future cash dividends is at the discretion of the Board of Directors and will depend upon our financial condition, capital requirements, earnings and other factors deemed relevant by our Board of Directors. In addition, the terms of the credit agreements of our subsidiaries may restrict us from paying dividends and making other distributions to us that would provide us with cash to pay dividends to our shareholders.

ISSUER PURCHASES OF EQUITY SECURITIES

The Company's purchases of its common stock during the fourth quarter of fiscal 2015 were as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (a)
October 1, 2015 - October 31, 2015	61,275	$ 2.51	61,275	$ 9,134,000
November 1, 2015 - November 30, 2015	64,249	$ 2.49	64,249	8,974,000
December 1, 2015 - December 31, 2015	139,850	$ 2.58	139,850	8,614,000
Total	265,374	$ 2.54	265,374	$ 8,614,000

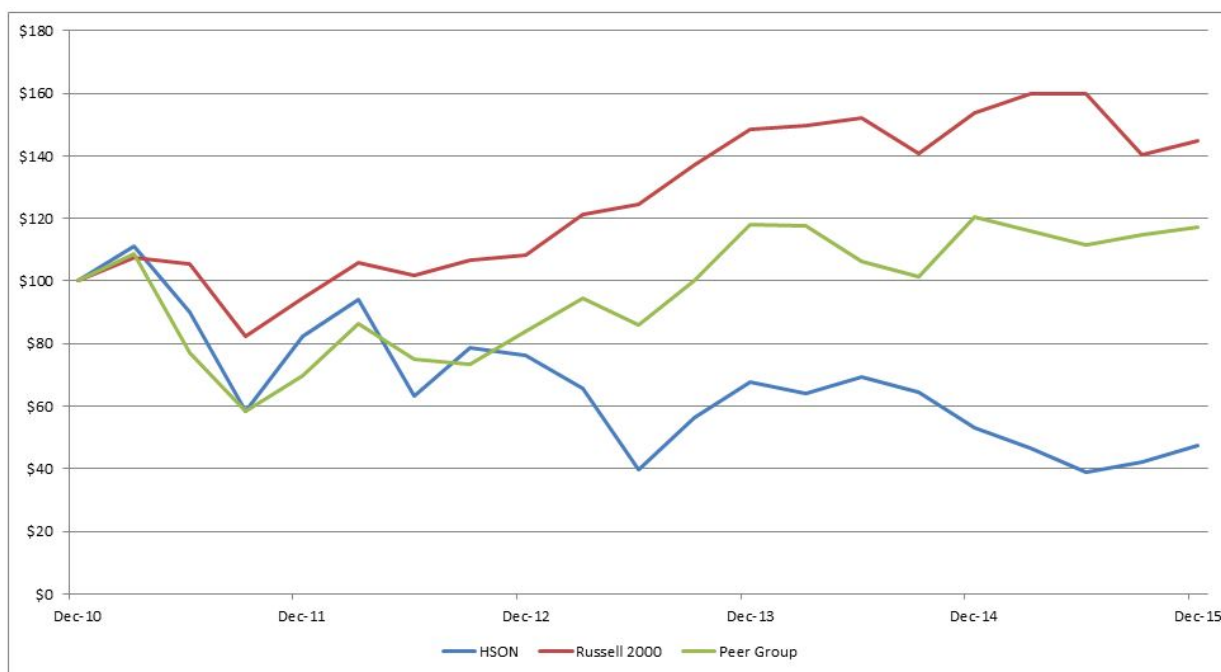
(a) On July 30, 2015, the Company announced that its Board of Directors authorized the repurchase of up to $10 million of the Company's common stock. The authorization does not expire. As of December 31, 2015, the Company had

repurchased 527,634 shares for a total cost of approximately $1.4 million under this authorization. From time to time, the Company may enter into a Rule 10b5-1 trading plan for purposes of repurchasing common stock under this authorization.

The following information in this Item 5 of this Annual Report on Form 10-K is not deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934 or to the liabilities of Section 18 of the Securities Exchange Act of 1934, and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate it by reference into such a filing.

PERFORMANCE INFORMATION

The following graph compares on a cumulative basis changes since December 31, 2010 in (a) the total stockholder return on the Company's common stock with (b) the total return on the Russell 2000 Index and (c) the total return on the companies in a peer group selected in good faith by the Company, in each case assuming reinvestment of dividends. Such changes have been measured by dividing (x) the difference between the price per share at the end of and the beginning of the measurement period by (y) the price per share at the beginning of the measurement period. The graph assumes $100 was invested on December 31, 2010 in the Company's common stock, the Russell 2000 Index and the peer group consisting of Resources Connection, Inc., Kelly Services, Inc., Kforce, Inc., and CDI Corporation. The returns of each component company in the peer group have been weighted based on each company's relative market capitalization on December 31, 2015.



	December 31,					
	2010	2011	2012	2013	2014	2015
HSON	$ 100.00	$ 82.16	$ 76.84	$ 68.95	$ 53.17	$ 50.09
RUSSELL 2000 INDEX	$ 100.00	$ 94.55	$ 108.38	$ 148.49	$ 153.73	$ 144.95
PEER GROUP	$ 100.00	$ 69.76	$ 84.08	$ 117.93	$ 120.72	$ 117.51

ITEM 6. SELECTED FINANCIAL DATA

The following table shows selected financial data of the Company that has been adjusted to reflect the classification of certain businesses as discontinued operations. The data has been derived from, and should be read together with, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and corresponding notes and the Consolidated Financial Statements included in Items 7 and 8 of this Form 10-K.

	Year Ended December 31,				
	2015	2014	2013	2012	2011
	(dollars in thousands, except per share data)				
SUMMARY OF OPERATIONS (a):					
Revenue	$ 463,197	$ 581,192	$ 562,572	$ 655,875	$ 780,927
Gross margin	$ 187,710	$ 222,845	$ 209,429	$ 257,793	$ 314,253
Business reorganization and integration expense	$ 5,828	$ 3,789	$ 5,440	$ 7,506	$ 720
Operating income (loss)	$ 3,241	$ (17,486)	$ (27,152)	$ (10,094)	$ 5,928
Income (loss) from continuing operations	$ 1,607	$ (15,786)	$ (30,211)	$ (7,222)	$ 3,623
Income (loss) from discontinued operations, net of income taxes	$ 722	$ 2,592	$ (184)	$ 1,887	$ 7,286
Net income (loss)	$ 2,329	$ (13,194)	$ (30,395)	$ (5,335)	$ 10,909
Basic income (loss) per share from continuing operations	$ 0.05	$ (0.48)	$ (0.93)	$ (0.22)	$ 0.11
Basic net income (loss) per share	$ 0.07	$ (0.40)	$ (0.94)	$ (0.17)	$ 0.35
Diluted income (loss) per share from continuing operations	$ 0.05	$ (0.48)	$ (0.93)	$ (0.22)	$ 0.11
Diluted net income (loss) per share	$ 0.07	$ (0.40)	$ (0.94)	$ (0.17)	$ 0.34
OTHER FINANCIAL DATA:					
Net cash provided by (used in) operating activities	$ (17,351)	$ (17,840)	$ 2,513	$ 13,159	$ 13,396
Net cash provided by (used in) investing activities	$ 21,648	$ 16,731	$ (2,557)	$ (8,272)	$ (6,584)
Net cash provided by (used in) financing activities	$ 644	$ (1,256)	$ (497)	$ (4,274)	$ 1,639
BALANCE SHEET DATA:					
Current assets	$ 106,143	$ 118,921	$ 134,323	$ 157,412	$ 181,923
Total assets	$ 124,949	$ 139,672	$ 158,829	$ 193,468	$ 216,546
Current liabilities	$ 51,591	$ 67,117	$ 69,818	$ 67,168	$ 90,515
Total stockholders' equity	$ 61,180	$ 59,257	$ 74,385	$ 106,541	$ 107,357
OTHER DATA:					
EBITDA (loss) (b)	$ 6,820	$ (11,725)	$ (20,471)	$ (3,788)	$ 11,885

(a) Effective June 14, 2015, the Company completed the sale of substantially all of the assets (excluding working capital) of its US IT business to Mastech, Inc. The Company also completed the sale of its Netherlands business to InterBalanceGroup BV effective April 30, 2015. In addition, during 2015, the Company's Board of Directors and Management approved the exit of operations in certain countries within Central and Eastern Europe (Ukraine, Czech Republic, and Slovakia), Luxembourg and Ireland. As these actions did not meet the requirements for classification as discontinued operations, the operating results and gain (loss) on sale and exit of businesses are presented as components of income (loss) from continuing operations. See Note 3 included in Item 8 of this Form 10-K for additional information.

Effective November 9, 2014, the Company completed the sale of substantially all of the assets and certain liabilities of its Legal eDiscovery business in the U.S and U.K. to Document Technologies, LLC and DTI of London Limited. In addition, the Company ceased its operations in Sweden within the Hudson Europe segment during the third quarter of 2014. The results of operations of the Legal eDiscovery business and the Company's operations in Sweden have been reclassified to discontinued operations for all periods presented and has been excluded from continuing operations in accordance with the provisions of ASC 205-20-45, "*Reporting Discontinued Operations*." See Note 4 included in Item 8 of this Form 10-K for additional information.

(b) SEC Regulation S-K 229.10(e)1(ii)(A) defines EBITDA as earnings before interest, taxes, depreciation and amortization. EBITDA is presented to provide additional information to investors about the Company's operations on a basis consistent with the measures that the Company uses to manage its operations and evaluate its performance. Management also uses this measurement to evaluate working capital requirements. EBITDA should not be considered in isolation or as a substitute for operating income and net income prepared in accordance with generally accepted accounting principles or as a measure of the Company's profitability. See Note 19 to the Consolidated Financial Statements for further EBITDA segment and reconciliation information.

1ITEM 7.MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the Consolidated Financial Statements and the notes thereto, included in Item 8 of this Form 10-K. This MD&A contains forward-looking statements. Please see "FORWARD-LOOKING STATEMENTS" for a discussion of the uncertainties, risks and assumptions associated with these statements. This MD&A also uses the non-generally accepted accounting principle measure of earnings before interest, taxes, depreciation and amortization ("EBITDA"). See Note 19 to the Consolidated Financial Statements for EBITDA segment reconciliation information.

This MD&A includes the following sections:

- Executive Overview
- Results of Operations
- Liquidity and Capital Resources
- Contingencies
- Critical Accounting Policies
- Recent Accounting Pronouncements
- Forward-Looking Statements

Executive Overview

The Company has expertise in recruiting mid-level professional talent across all management disciplines in a wide range of industries. The Company matches clients and candidates to address client needs on a part time, full time and interim basis. Part of that expertise is derived from research on hiring trends and the Company's clients' current successes and challenges with their staff. This research has helped enhance the Company's understanding about the number of new hires that do not meet its clients' long-term goals, the reasons why, and the resulting costs to the Company's clients. With operations in 12 countries and relationships with specialized professionals around the world, the Company brings a strong ability to match talent with opportunities by assessing, recruiting, developing and engaging the best and brightest people for the Company's clients. The Company combines broad geographic presence, world-class talent solutions and a tailored, consultative approach to help businesses and professionals achieve maximum performance. The Company's focus is to continually upgrade its service offerings, delivery capability and assessment tools to make candidates more successful in achieving its clients' business requirements.

The Company's proprietary frameworks, assessment tools and leadership development programs, coupled with its broad geographic footprint, have allowed the Company to design and implement regional and global recruitment solutions that the Company believes greatly enhance the quality of its client's hiring.

To accelerate the implementation of the Company's strategy, the Company has engaged in the following initiatives:

- Investing in the core businesses and practices that present the greatest potential for profitable growth.
- Improving further the Company's cost structure and efficiency of its support functions and infrastructure.
- Building and differentiating the Company's brand through its unique talent solutions offerings.

Strategic Actions

During the year ended December 31, 2015, the Company continued to execute on strategic actions in its previously announced efforts to focus on its core business lines and growth opportunities. These actions included:

- In February 2015, the Company's management approved the exit of operations in certain countries within Central and Eastern Europe (Ukraine, Czech Republic and Slovakia). During the second quarter of 2015, the Company deemed the liquidation of those Central and Eastern Europe businesses to be substantially complete. As such, under ASC 830, *"Foreign Currency Matters,"* the Company transferred $1.2 million of accumulated foreign

currency translation gains from accumulated other comprehensive income to the statement of operations within gain on sale and exit of businesses. See Note 3 to the Condensed Consolidated Financial Statements for additional information.

- In March 2015, the Company's management approved the exit of operations in Luxembourg. During the third quarter of 2015, the Company deemed the liquidation of its Luxembourg business to be substantially complete. As such, under ASC 830, *"Foreign Currency Matters,"* the Company transferred $0.1 million of accumulated foreign currency translation losses from accumulated other comprehensive income to the statement of operations within gain on sale and exit of businesses. See Note 3 to the Condensed Consolidated Financial Statements for additional information.
- On May 7, 2015, the Company completed the sale of its Netherlands business to InterBalance Group B.V., effective April 30, 2015, in a management buyout for $9.0 million, including cash sold of $1.1 million. The Company recognized a gain on sale of $2.8 million, net of closing and other direct transaction costs, on the divestiture of the Netherlands business which included $2.8 million of non-cash accumulated foreign currency translation losses. See Note 3 to the Condensed Consolidated Financial Statements for additional information.
- On June 15, 2015, the Company completed the sale of its Hudson Information Technology (US) business (the "US IT business") for $17.0 million in cash. The Company retained approximately $3.0 million in net working capital associated with the US IT business. The Company recognized a gain on sale of $15.9 million, net of closing and other direct transaction costs. See Note 3 to the Condensed Consolidated Financial Statements for additional information.
- In August 2015, the Company exited its operations in Ireland.
- In the fourth quarter of 2015, the Company substantially completed the migration of the remaining Americas business to a new, lower-cost, IT platform and shared service center and decommissioned the legacy support infrastructures.

Discontinued Operations

Effective November 9, 2014, the Company completed the sale of substantially all of the assets and certain liabilities of its Legal eDiscovery business in the U.S. and U.K. to Document Technologies, LLC and DTI of London Limited for $23.0 million in cash, and recorded a gain of $11.3 million in connection with the sale. The divestiture is a significant component of the Company’s previously announced efforts to focus on its core business lines and growth opportunities. In addition, the Company ceased its operations in Sweden within the Hudson Europe segment during the third quarter of 2014.

The Company's divestiture of its Legal eDiscovery business and exit of operations in Sweden accounted for $0.7 million and $0.0 million of operating losses for the year ended December 31, 2015, respectively, which have been reclassified to discontinued operations for all periods presented and have been excluded from continuing operations and from segment results for all periods presented in accordance with the provisions of ASC 205-20-45 “*Reporting Discontinued Operations*”. See Note 4 included in Item 8 of this Form 10-K for additional information.

Current Market Conditions

Economic conditions in most of the world's major markets remain mixed. Conditions in Europe have shown improvement with GDP growth in most of the major markets, as well as forecasted GDP growth for 2016. Australia faces a slow growth outlook for 2016, while the outlook for Asia is uncertain given China's slowing growth outlook. The Company closely monitors the economic environment and business climate in its markets and responds accordingly. At this time, the Company is unable to accurately predict the outcome of these events or changes in general economic conditions and their effect on the demand for the Company's services.

Financial Performance

For the year ended December 31, 2015, the Company grew its underlying and retained business in most markets. On a constant currency basis, for the year ended December 31, 2015, revenue and gross margin declined by $50.0 million and $9.8 million, or 9.7% and 5.0%, respectively, compared to the same period in 2014. A primary driver of the decrease was attributable to the current year divestitures of the Netherlands, US IT business, Luxembourg and Central and Eastern Europe businesses. The following table reconciles the change in reported revenue and gross margin for the year ended December 31, 2015:

$ in millions	Year Ended December 31, 2015	
	Change in Revenue on a Constant Currency Basis	Change in Gross Margin on a Constant Currency Basis
Netherlands divestiture	$ (26.3)	$ (5.7)
US IT business divestiture	(22.5)	(5.9)
Luxembourg divestiture	(1.0)	(0.9)
Central and Eastern Europe divestitures	(0.8)	(0.7)
Retained businesses increase	0.6	3.4
Reported change	$ (50.0)	$ (9.8)

In addition to the impact of the divested businesses detailed above, on a constant currency basis, the Company's retained businesses experienced an overall increase in revenue and gross margin for the year ended 2015, as compared to 2014. This was driven by increases in retained revenue and gross margin in the Americas, Australia, China, Hong Kong, Belgium and Spain. The increases were partially offset by declines in retained revenue and gross margin in the U.K., France and New Zealand due to continued softness in recruitment activities.

The following is a summary of the highlights for the years ended December 31, 2015, 2014 and 2013. These should be considered in the context of the additional disclosures in this MD&A.

- Revenue was $463.2 million for the year ended December 31, 2015, compared to $581.2 million for 2014, a decrease of $118.0 million, or 20.3%.
    - On a constant currency basis, the Company's revenue decreased $50.0 million, or 9.7%. Contracting revenue decreased $55.4 million (down 15.4% compared to the same period in 2014). The decrease in contracting revenue was partially offset by increases in permanent recruitment revenue of $5.2 million (up 4.6% compared to 2014) and talent management revenue of $0.8 million (up 2.1% compared to 2014).
- Revenue was $581.2 million for the year ended December 31, 2014, compared to $562.6 million for 2013, an increase of $18.6 million, or 3.3%.
    - On a constant currency basis, the Company's revenue increased $15.8 million, or 3.2%. Permanent recruitment revenue increased $12.8 million (up 12.7% compared to the same period in 2013) and talent management revenue increased $4.4 million (up 13.7% compared to the same period in 2013). The increases were partially offset by a decline in contracting revenue of $1.0 million (down 0.3% compared to 2013).
- Gross margin was $187.7 million for the year ended December 31, 2015, compared to $222.8 million for 2014, a decrease of $35.1 million, or 15.8%.
    - On a constant currency basis, gross margin decreased $9.8 million, or 5.0%. Contracting gross margin decreased $12.9 million (down 23.2% compared to 2014) and talent management gross margin decreased $1.1 million (down 3.7% compared to 2014). The decrease was partially offset by an increase in permanent recruitment gross margin of $4.6 million (up 4.1% compared to 2014).

  Gross margin was $222.8 million for the year ended December 31, 2014, compared to $209.4 million for 2013, an increase of $13.4 million, or 6.4%.
    - On a constant currency basis, gross margin increased $13.2 million, or 7.1%. Permanent recruitment gross margin increased $12.7 million (up 12.8% compared to 2013) and talent management gross margin increased $3.1 million (up 11.5% compared to 2013). The increase was partially offset by a decrease in contracting gross margin of $2.4 million (down 4.2% compared to 2013).
- Selling, general and administrative expenses and other non-operating income (expense) ("SG&A and Non-Op") was $194.9 million for the year ended December 31, 2015, compared to $230.1 million for 2014, a decrease of $35.2 million, or 15.3%.
    - On a constant currency basis, SG&A and Non-Op decreased $10.3 million, or 5.0%. SG&A and Non-Op, as a percentage of revenue, was 42.1% for the year ended December 31, 2015, compared to 40.0% for 2014.

SG&A and Non-Op were $230.1 million for the year ended December 31, 2014, compared to $223.1 million for 2013, an increase of $7.0 million, or 3.1%.

    ◦ On a constant currency basis, SG&A and Non-Op increased $8.1 million, or 4.1%. SG&A and Non-Op, as a percentage of revenue, was 40.0% for the year ended December 31, 2014, compared to 39.6% for 2013.

- Business reorganization expenses were $5.8 million for the year ended December 31, 2015, compared to $3.8 million for 2014, an increase of $2.0 million, or $2.4 million on a constant currency basis.

  Business reorganization expenses were $3.8 million for the year ended December 31, 2014, compared to $5.4 million for 2013, a decrease of $1.7 million, or $1.3 million on a constant currency basis.

- For the year ended December 31, 2015, the Company recorded $0.0 million of charges for impairment of long-lived assets as compared to $0.7 million in 2014. See "Long-lived Assets and Goodwill" below for further detail.

- EBITDA was $6.8 million for the year ended December 31, 2015, compared to EBITDA loss of $11.7 million for 2014. On a constant currency basis, EBITDA increased $18.6 million in 2015 compared to 2014.

  EBITDA loss was $11.7 million for the year ended December 31, 2014, compared to EBITDA loss of $20.5 million for 2013. On a constant currency basis, EBITDA loss decreased $6.9 million in 2014 compared to 2013.

- Net income was $2.3 million for the year ended December 31, 2015, compared to a net loss of $13.2 million for 2014. On a constant currency basis, net income increased $14.8 million in 2015 compared to 2014.

  Net loss was $13.2 million for the year ended December 31, 2014, compared to a net loss of $30.4 million for 2013. On a constant currency basis, net loss decreased $14.2 million in 2014 compared to 2013.

Long-lived Assets and Goodwill

Under Financial Accounting Standards Board ("FASB") Accounting Standard Codification (“ASC”) 360, “*Property, Plant, and Equipment*," the Company is required to test a long-lived asset for impairment if circumstances indicate that its carrying value might exceed its current fair value.

During the fourth quarter of 2015, the Company experienced continued declines in the operating results within certain markets. These events were deemed to be triggering events that required the Company to perform an impairment assessment with respect to long-lived assets, primarily property and equipment. The Company's internal projections as of the fourth quarter of 2015 anticipate improvement in its operating performance in 2016. The impairment assessment indicated the Company's long-lived assets were not impaired.

In addition to the Company's long-lived assets impairment testing, the Company's management also tested its goodwill for potential impairment. At the conclusion of its goodwill impairment testing, the Company estimated the fair value of its China reporting unit substantially exceeded its carrying value. As such, the Company determined that no impairment of goodwill had taken place.

Although the Company currently anticipates improvement in its operating results for 2016, if general economic conditions in certain markets in which the Company operates remain weak, or if the Company’s performance does not improve, the Company may record impairment charges related to goodwill and other long-lived assets in the future.

Constant Currency

The Company operates on a global basis, with the majority of its gross margin generated outside of the U.S. Accordingly, fluctuations in foreign currency exchange rates can affect our results of operations. For the discussion of reportable segment results of operations, the Company uses constant currency information. Constant currency compares financial results between periods as if exchange rates had remained constant period-over-period. The Company defines the term “constant currency” to mean that financial data for previously reported periods are translated into U.S. dollars using the same foreign currency exchange rates that were used to translate financial data for the current period. The Company’s management reviews and analyzes business results in constant currency and believes these results better represent the Company’s underlying business trends.

Changes in revenue, gross margin, SG&A and Non-Op, business reorganization expenses, operating income (loss), net income (loss) and EBITDA (loss) include the effect of changes in foreign currency exchange rates. The tables below summarize

the impact of foreign currency exchange rate adjustments on the Company's operating results for the years ended December 31, 2015, 2014 and 2013.

	Year Ended December 31,						
	2015	2014			2013		
$ in thousands	As reported	As reported	Currency translation	Constant currency	As reported	Currency translation	Constant currency
Revenue:							
Hudson Americas	$ 28,627	$ 50,146	$ (104)	$ 50,042	$ 51,857	$ (195)	$ 51,662
Hudson Asia Pacific	219,391	246,873	(37,354)	209,519	232,748	(43,931)	188,817
Hudson Europe	215,179	284,173	(30,548)	253,625	277,967	(21,096)	256,871
Total	$ 463,197	$ 581,192	$ (68,006)	$ 513,186	$ 562,572	$ (65,222)	$ 497,350
Gross margin:							
Hudson Americas	$ 16,111	$ 20,757	$ (101)	$ 20,656	$ 18,692	$ (184)	$ 18,508
Hudson Asia Pacific	89,682	93,014	(11,717)	81,297	87,162	(14,094)	73,068
Hudson Europe	81,917	109,074	(13,532)	95,542	103,575	(10,825)	92,750
Total	$ 187,710	$ 222,845	$ (25,350)	$ 197,495	$ 209,429	$ (25,103)	$ 184,326
SG&A and Non-Op (a):							
Hudson Americas	$ 17,590	$ 20,582	$ (136)	$ 20,446	$ 18,957	$ (212)	$ 18,745
Hudson Asia Pacific	85,684	92,127	(11,216)	80,911	89,073	(14,077)	74,996
Hudson Europe	83,617	108,613	(13,563)	95,050	108,564	(11,751)	96,813
Corporate	8,008	8,797	(1)	8,796	6,530	(2)	6,528
Total	$ 194,899	$ 230,119	$ (24,916)	$ 205,203	$ 223,124	$ (26,042)	$ 197,082
Business reorganization expenses:							
Hudson Americas	$ 1,108	$ 94	$ 1	$ 95	$ 448	$ —	$ 448
Hudson Asia Pacific	669	1,322	(181)	1,141	989	(184)	805
Hudson Europe	2,883	1,407	(158)	1,249	3,214	(527)	2,687
Corporate	1,168	966	—	966	789	—	789
Total	$ 5,828	$ 3,789	$ (338)	$ 3,451	$ 5,440	$ (711)	$ 4,729
Operating income (loss):							
Hudson Americas	$ 12,931	$ 870	$ 3	$ 873	$ 1,367	$ (25)	$ 1,342
Hudson Asia Pacific	3,548	(3,013)	169	(2,844)	(5,883)	840	(5,043)
Hudson Europe	1,743	3,112	(456)	2,656	(5,251)	1,035	(4,216)
Corporate	(14,981)	(18,455)	—	(18,455)	(17,385)	(3)	(17,388)
Total	$ 3,241	$ (17,486)	$ (284)	$ (17,770)	$ (27,152)	$ 1,847	$ (25,305)
Net income (loss), consolidated	$ 2,329	$ (13,194)	$ 704	$ (12,490)	$ (30,395)	$ 803	$ (29,592)
EBITDA (loss) from continuing operations(b):							
Hudson Americas	$ 13,354	$ 117	$ 33	$ 150	$ (717)	$ 29	$ (688)
Hudson Asia Pacific	2,851	(890)	(295)	(1,185)	(3,227)	202	(3,025)
Hudson Europe	(207)	(1,187)	190	(997)	(9,197)	1,560	(7,637)
Corporate	(9,178)	(9,765)	—	(9,765)	(7,330)	(4)	(7,334)
Total	$ 6,820	$ (11,725)	$ (72)	$ (11,797)	$ (20,471)	$ 1,787	$ (18,684)

(a) SG&A and Non-Op is a measure that management uses to evaluate the segments' expenses, which include the following captions on the Consolidated Statements of Operations : Selling, general and administrative expenses, and other income (expense), net. Corporate management service allocations are included in the segments' other income (expense).

(b) See EBITDA reconciliation in the following section.

Use of EBITDA (Non-GAAP measure)

Management believes EBITDA is a meaningful indicator of the Company's performance that provides useful information to investors regarding the Company's financial condition and results of operations. EBITDA is also considered by management as an indicator of operating performance and most comparable measure across the regions in which we operate. Management also uses this measurement to evaluate capital needs and working capital requirements. EBITDA should not be considered in isolation or as a substitute for operating income or net income prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP") or as a measure of the Company's profitability. EBITDA is derived from net income (loss) adjusted for the provision for (benefit from) income taxes, interest expense (income), and depreciation and amortization.

The reconciliation of EBITDA to the most directly comparable GAAP financial measure is provided in the table below:

	Year Ended December 31,		
$ in thousands	2015	2014	2013
Net income (loss)	$ 2,329	$ (13,194)	$ (30,395)
Adjustment for income (loss) from discontinued operations, net of income taxes	722	2,592	(184)
Income (loss) from continuing operations	$ 1,607	$ (15,786)	$ (30,211)
Adjustments to income (loss) from continuing operations			
Provision for (benefit from) income taxes	646	(2,159)	3,264
Interest expense, net	722	661	554
Depreciation and amortization expense	3,845	5,559	5,922
Total adjustments from income (loss) from continuing operations to EBITDA (loss)	5,213	4,061	9,740
EBITDA (loss)	$ 6,820	$ (11,725)	$ (20,471)

Temporary Contracting Data

The following table sets forth the Company's temporary contracting revenue, gross margin and gross margin as a percentage of revenue for the years ended December 31, 2015, 2014 and 2013.

	Year Ended December 31,						
	2015	2014			2013		
$ in thousands	**As reported**	**As reported**	**Currency translation**	**Constant currency**	**As reported**	**Currency translation**	**Constant currency**
TEMPORARY CONTRACTING DATA (a):							
Temporary contracting revenue:							
Hudson Americas	$ 15,562	$ 37,816	$ —	$ 37,816	$ 42,538	$ —	$ 42,538
Hudson Asia Pacific	142,350	170,370	(28,413)	141,957	164,588	(33,827)	130,761
Hudson Europe	147,141	199,920	(19,273)	180,647	200,052	(11,886)	188,166
Total	$ 305,053	$ 408,106	$ (47,686)	$ 360,420	$ 407,178	$ (45,713)	$ 361,465
Temporary contracting gross margin:							
Hudson Americas	$ 3,587	$ 8,738	$ —	$ 8,738	$ 9,715	$ —	$ 9,715
Hudson Asia Pacific	18,098	21,412	(3,555)	17,857	23,359	(4,824)	18,535
Hudson Europe	21,047	32,370	(3,345)	29,025	32,193	(2,394)	29,799
Total	$ 42,732	$ 62,520	$ (6,900)	$ 55,620	$ 65,267	$ (7,218)	$ 58,049
Temporary contracting gross margin as a percent of temporary contracting revenue:							
Hudson Americas	23.05%	23.11%	N/A	23.11%	22.84%	N/A	22.84%
Hudson Asia Pacific	12.71%	12.57%	N/A	12.58%	14.19%	N/A	14.17%
Hudson Europe	14.30%	16.19%	N/A	16.07%	16.09%	N/A	15.84%
Total	14.01%	15.32%	N/A	15.43%	16.03%	N/A	16.06%

(a) Temporary contracting gross margin and gross margin as a percentage of revenue are shown to provide additional information regarding the Company's ability to manage its cost structure and to provide further comparability relative to the Company's peers. Temporary contracting gross margin is derived by deducting the direct costs of temporary contracting from temporary contracting revenue. The Company's calculation of gross margin may differ from those of other companies. See details in Results of Operations for further discussions of the changes in temporary contract revenue and gross margin.

Results of Operations (Discussion of significant matters is presented below):

Hudson Americas *(reported currency)*

Revenue

	Year Ended December 31,						
$ in millions	2015 As reported	2014 As reported	Change in amount	Change in %	2013 As reported	Change in amount	Change in %
Hudson Americas							
Revenue	$ 28.6	$ 50.1	$ (21.5)	(42.9)%	$ 51.9	$ (1.7)	(3.3)%

For the year ended December 31, 2015, contracting revenue decreased $22.3 million, or 58.8%, partially offset by an increase in permanent recruitment revenue of $0.8 million, or 6.2%, as compared to 2014. The decline in contracting revenue was directly attributable to the divestiture of the Company's US IT business in June 2015.

For the year ended December 31, 2014, contracting revenue decreased $4.7 million, or 11.1%, partially offset by an increase in permanent recruitment revenue of $3.0 million, or 32.3%, as compared to 2013. The decline in contracting revenue was in the IT practice due to lower client activities for two large customers. Substantially all of the increase in permanent recruitment revenue was attributable to growth in the Company's RPO practice through new clients acquired in the past year as well as higher activity from the Company's existing clients.

Gross margin

	Year Ended December 31,						
$ in millions	2015 As reported	2014 As reported	Change in amount	Change in %	2013 As reported	Change in amount	Change in %
Hudson Americas							
Gross margin	$ 16.1	$ 20.8	$ (4.6)	(22.4)%	$ 18.7	$ 2.1	11.0%
Gross margin as a percentage of revenue	56.3%	41.4%	N/A	N/A	36.0%	N/A	N/A
Contracting gross margin as a percentage of contracting revenue	23.0%	23.1%	N/A	N/A	22.8%	N/A	N/A

For the year ended December 31, 2015, contracting gross margin decreased $5.2 million, or 58.9%, partially offset by an increase in permanent recruitment gross margin of $0.5 million, or 4.5%, as compared to 2014. The changes in gross margin were attributable to the same factors as described above for revenue. Contracting gross margin, as a percentage of revenue, was 23.0% for the year ended December 31, 2015, as compared to 23.1% for 2014. Total gross margin, as a percentage of revenue, increased to 56.3% for 2015, as compared to 41.4% for 2014, and was primarily due to the divestiture of the Company's US IT business in June 2015 and growth in the RPO practice. During 2015, RPO gross margin increased $1.3 million, or 11.9%, as compared to 2014.

For the year ended December 31, 2014, permanent recruitment gross margin increased $3.0 million, or 33.8%, partially offset by a decrease in contracting gross margin of $1.0 million, or 10.1%, as compared to 2013. The changes in gross margin were attributable to the same factors as described above for revenue. Contracting gross margin, as a percentage of revenue, was 23.1% for the year ended December 31, 2014, as compared to 22.8% for 2013. Total gross margin, as a percentage of revenue, increased to 41.4% for 2014, as compared to 36.0% for 2013, and was primarily due to growth in permanent recruitment activities from the RPO practice.

Selling, general and administrative expenses and non-operating income (expense) ("SG&A and Non-Op")

	Year Ended December 31,						
$ in millions	2015 As reported	2014 As reported	Change in amount	Change in %	2013 As reported	Change in amount	Change in %
Hudson Americas							
SG&A and Non-Op	$ 17.6	$ 20.6	$ (3.0)	(14.5)%	$ 19.0	$ 1.6	8.6%
SG&A and Non-Op as a percentage of revenue	61.4%	41.0%	N/A	N/A	36.6%	N/A	N/A

For the year ended December 31, 2015, SG&A and Non-Op decreased as compared to the same period in 2014 due to lower support costs and corporate expenses allocated to the Americas business as a result of the Legal eDiscovery and US IT business divestitures. The decline was partially offset by a proportion of stranded administrative expenses being allocated to the discontinued Legal eDiscovery business in 2014 and change in control stock-based compensation expenses of $0.4 million for the year ended December 31, 2015. SG&A and Non-Op, as a percentage of revenue, was 61.4% for the year ended December 31, 2015, as compared to 41.0% for 2014 as the Company continued to eliminate stranded costs associated with the divestiture of the Legal eDiscovery and US IT businesses, a process that was substantially completed in the fourth quarter of 2015.

For the year ended December 31, 2014, SG&A and Non-Op increased as compared to the same period in 2013 due to a lower proportion of administrative expenses being allocated to the discontinued Legal eDiscovery business. Excluding the impact of discontinued operations, for the year ended December 31, 2014 SG&A and Non-Op decreased by approximately $2.6 million as compared to the same period in 2013, primarily from a reduction of support staff costs. SG&A and Non-Op, as a percentage of revenue, was 41.0% for the year ended December 31, 2014, as compared to 36.6% for 2013. The increase in SG&A and Non-Op, as a percentage of revenue, was due principally to a higher proportional administration costs.

Business reorganization expenses

For the year ended December 31, 2015, business reorganization expenses were $1.1 million, as compared to $0.1 million and $0.4 million for 2014 and 2013, respectively. Business reorganization expenses incurred in 2015 were primarily related to severance for support personnel associated with the sale of the US IT business, lease exit and contract cancellation costs. Business reorganization expenses incurred in 2014 and 2013 were attributable to the realignment of the sales force, exiting unprofitable lines of business, the reduction of support staff costs and lease exit costs.

Operating Income and EBITDA

	Year Ended December 31,						
$ in millions	2015 As reported	2014 As reported	Change in amount	Change in %	2013 As reported	Change in amount	Change in %
Hudson Americas							
Operating income (loss):	$ 12.9	$ 0.9	$ 12.1	(a)	$ 1.4	$ (0.5)	(36.4)%
EBITDA (loss)	$ 13.4	$ 0.1	$ 13.2	(a)	$ (0.7)	$ 0.8	(114.3)%
EBITDA as a percentage of revenue	46.6%	0.2%	N/A	N/A	(1.4)%	N/A	N/A
(a) Information was not provided because the Company did not consider the change in percentage as a meaningful measure for the years in comparison.							

For the year ended December 31, 2015, EBITDA was $13.4 million, or 46.6% of revenue, as compared to EBITDA of $0.1 million, or 0.2% of revenue, for 2014. The increase in EBITDA was principally due to the gain on sale of the US IT business of $15.9 million, partially offset by an increase in business reorganization expenses, as compared to the same period in 2014. Operating income was $12.9 million for the year ended December 31, 2015, as compared to $0.9 million for 2014.

For the year ended December 31, 2014, EBITDA was $0.1 million, or 0.2% of revenue, as compared to EBITDA loss of $0.7 million, or 1.4% of revenue, for 2013. The increase in EBITDA was principally due to a greater proportional increase in

RPO gross margin. Operating income was $0.9 million for the year ended December 31, 2014, as compared to $1.4 million for 2013.

The difference between operating income and EBITDA (loss) for the years ended December 31, 2015, 2014 and 2013 was principally due to the inclusion of corporate management fees and depreciation in the determination of operating income.

Hudson Asia Pacific *(constant currency)*

Revenue

	Year Ended December 31,						
	2015	2014			2013		
$ in millions	As reported	Constant currency	Change in amount	Change in %	Constant currency	Change in amount	Change in %
Hudson Asia Pacific							
Revenue	$ 219.4	$ 209.5	$ 9.9	4.7%	$ 188.8	$ 20.7	11.0%

For the year ended December 31, 2015, contracting revenue, permanent recruitment revenue and talent management revenue increased $0.4 million, $9.2 million and $0.5 million, or 0.3%, 17.2% and 3.4%, respectively, as compared to 2014. In Australia, contracting revenue, permanent recruitment revenue and talent management revenue increased $2.9 million, $3.1 million and $0.0 million, or 2.5%, 12.8% and 0.1%, respectively, as compared to 2014. The increase in Australia contracting revenue is primarily from the information technology practice partially offset by declines in RPO. The decline in RPO is due mainly to the end of a large, high volume low margin RPO contracting project. In China, permanent recruitment revenue increased $4.9 million, or 25.0%, as compared to 2014. The increase in China is primarily from the information technology, sales and marketing, accounting and finance recruitment practices and RPO. In Hong Kong, permanent recruitment revenue increased $1.0 million, or 32.0%, as compared to 2014.

For the year ended December 31, 2014, contracting revenue, permanent recruitment revenue and talent management revenue increased $11.2 million, $7.3 million and $2.8 million, or 8.6%, 15.9% and 26.4%, respectively, as compared to 2013. In Australia, contracting revenue, permanent recruitment revenue and talent management revenue increased $15.5 million, $3.1 million and $3.0 million, or 15.1%, 14.7% and 34.6%, respectively, as compared to 2013. In China, permanent recruitment revenue increased $5.0 million, or 34.9%, as compared to 2013. The increase in China is primarily from the accounting and finance, sales and marketing recruitment practices and RPO.

Gross margin

	Year Ended December 31,						
	2015	2014			2013		
	As reported	Constant currency	Change in amount	Change in %	Constant currency	Change in amount	Change in %
Hudson Asia Pacific							
Gross margin	$ 89.7	$ 81.3	$ 8.4	10.3%	$ 73.1	$ 8.2	11.3%
Gross margin as a percentage of revenue	40.9%	38.8%	N/A	N/A	38.7%	N/A	N/A
Contracting gross margin as a percentage of contracting revenue	12.7%	12.6%	N/A	N/A	14.2%	N/A	N/A

For the year ended December 31, 2015, permanent recruitment and contracting gross margins increased $8.7 million and $0.2 million or 16.3% and 1.3%, respectively, as compared to 2014. The increases were partially offset by a decline in talent management gross margin of $0.6 million, or 6.1%, as compared to 2014. Australia and China accounted for the majority of the increase in gross margins, which increased by $2.6 million and $4.8 million, respectively, partially offset by declines in New Zealand.

Gross margin as a percentage of revenue, was 40.9%, as compared to 38.8% for 2014. The increase in gross margin, as a percentage of revenue, resulted from increases in higher margin permanent recruitment revenue. The contracting gross margin, as a percentage of revenue, remained relatively flat at 12.7%, as compared to 2014.

For the year ended December 31, 2014, permanent recruitment and talent management gross margins increased $7.3 million and $1.6 million, or 15.9% and 19.8%, respectively, as compared to 2013. The increases were partially offset by a decline in contracting gross margin of $0.7 million, or 3.7%, as compared to 2013. Australia and China accounted for the majority of the increase in gross margins, which increased by $5.0 million and $5.0 million, respectively, partially offset by

declines in New Zealand and Singapore. Contracting gross margin, as a percentage of revenue, was 12.6%, as compared to 14.2% for 2013. The decline in gross margin as a percentage of revenue resulted from lower margin high-volume temporary contracting business from the RPO practice. Total gross margin, as a percentage of revenue, remained flat at 38.8%, as compared to 2013.

SG&A and Non-Op

	Year Ended December 31,						
	2015	2014			2013		
$ in millions	As reported	Constant currency	Change in amount	Change in %	Constant currency	Change in amount	Change in %
Hudson Asia Pacific							
SG&A and Non-Op	$ 85.7	$ 80.9	$ 4.8	5.9%	$ 75.0	$ 5.9	7.9%
SG&A and Non-Op as a percentage of revenue	39.1%	38.6%	N/A	N/A	39.7%	N/A	N/A

For the year ended December 31, 2015, SG&A and Non-Op increased $4.8 million, or 5.9%, as compared to the same period in 2014. The increase is primarily due to higher headcount as a result of investment in additional fee earners in the region as well as the higher variable bonus and commissions on higher gross margin.

SG&A and Non-Op, as a percentage of revenue, was 39.1% for 2015, as compared to 38.6% for 2014. SG&A and Non-Op, as a percentage of revenue, for the year ended December 31, 2015 was higher due to the change in control stock-based compensation expense of $0.6 million, as compared to the same period in 2014. The increase was partially offset by savings associated with reorganization actions initiated in 2014.

For the year ended December 31, 2014, SG&A and Non-Op increased $5.9 million, or 7.9%, as compared to 2013, primarily due to higher average consultant headcount (up 18%) as well as higher commission paid to consultants for higher gross margin. SG&A and Non-Op, as a percentage of revenue, was 38.6% for 2014, as compared to 39.7% in 2013. The reductions in SG&A and Non-Op, as a percentage of revenue, were principally due to an increase in revenue as well as cost savings from recent reorganization actions.

Business reorganization expenses

For the year ended December 31, 2015, business reorganization expenses were $0.7 million, as compared to $1.1 million for 2014 and $0.8 million for 2013. The business reorganization expenses incurred in the current year were primarily for lease exit costs in Australia and New Zealand. Business reorganization expenses incurred in 2014 related to a change-in-estimate for office space optimization in Australia and employee termination costs for integration of back-office support functions in Asia. Business reorganization expenses incurred in 2013 were primarily for employee termination benefits related to the reduction of back-office support functions and lease exit costs to eliminate excess real estate.

Operating Income and EBITDA

	Year Ended December 31,						
	2015	2014			2013		
$ in millions	As reported	Constant currency	Change in amount	Change in %	Constant currency	Change in amount	Change in %
Hudson Asia Pacific							
Operating income (loss):	$ 3.5	$ (2.8)	$ 6.4	(a)	$ (5.0)	$ 2.2	(43.6)%
EBITDA (loss)	$ 2.9	$ (1.2)	$ 4.0	(a)	$ (3.0)	$ 1.8	(60.8)%
EBITDA as a percentage of revenue	1.3%	(0.6)%	N/A	N/A	(1.6)%	N/A	N/A
(a) Information was not provided because the Company did not consider the change in percentage as a meaningful measure for the years in comparison.							

For the year ended December 31, 2015, EBITDA was $2.9 million, or 1.3% of revenue, as compared to EBITDA loss of $1.2 million, or 0.6% of revenue, for 2014. The increase in EBITDA for the year ended December 31, 2015 was principally due

to higher revenue. Operating income for the year ended December 31, 2015 was $3.5 million, as compared to operating loss of $2.8 million for 2014.

For the year ended December 31, 2014, EBITDA loss was $1.2 million, or 0.6% of revenue, as compared to EBITDA loss of $3.0 million, or 1.6% of revenue, for 2013. The decrease in EBITDA loss for the year ended December 31, 2014 was principally due to higher revenue. Operating loss for the year ended December 31, 2014 was $2.8 million, as compared to operating loss of $5.0 million for 2013.

The difference between operating income (loss) and EBITDA (loss) for the years ended December 31, 2015, 2014 and 2013 was principally due to the inclusion of corporate management fees and depreciation in the determination of operating income (loss).

Hudson Europe *(constant currency)*

Revenue

	Year Ended December 31,						
	2015	2014			2013		
$ in millions	As reported	Constant currency	Change in amount	Change in %	Constant currency	Change in amount	Change in %
Hudson Europe							
Revenue	$ 215.2	$ 253.6	$ (38.4)	(15.2)%	$ 256.9	$ (3.2)	(1.3)%

For the year ended December 31, 2015, contracting revenue and permanent recruitment revenue decreased $33.5 million and $4.9 million, or 18.5% and 10.1%, respectively, as compared to 2014, partially offset by an increase in talent management revenue of $0.4 million, or 1.5%, as compared to 2014. The sale of the Netherlands business during 2015 was the primary driver of the decline in Europe, as total revenue of the Netherlands for the year ended December 31, 2015 decreased $26.3 million, or 67.4%, as compared to 2014.

In the U.K., revenue decreased $12.8 million, or 7.6%, as compared to 2014 due to declines in U.K. recruitment practice groups offset in part by RPO. For the year ended December 31, 2015, RPO revenue increased $1.4 million, or 12.3%, as compared to 2014 in the U.K.

In Continental Europe, for the year ended December 31, 2015, total revenue decreased $25.6 million, or 29.8%, as compared to 2014. As noted above, the Netherlands was the primary driver of the decline as total revenue for the year ended December 31, 2015 decreased $26.3 million, or 67.4%, as compared to 2014. The sale of the Netherlands business was effective April 30, 2015. For the year ended December 31, 2015, the decrease was also driven by a decline in France of $1.9 million, Central and Eastern Europe of $0.8 million, and Luxembourg of $1.0 million, offset by an increase in revenue in Belgium of $3.1 million and Spain of $1.4 million, as compared to 2014.

For the year ended December 31, 2014, contracting revenue decreased $7.5 million, or 4.0%, partially offset by increases in permanent recruitment and talent management revenue of $2.4 million and $1.5 million, or 5.2% and 7.1%, respectively, as compared to 2013. The decline in contracting revenue was primarily from the U.K., which decreased $7.9 million, or 5.4%, as compared to 2013. The overall decrease in revenue in the U.K. resulted primarily from declines in the banking & financial services sector.

In Continental Europe, total revenue for the year ended December 31, 2014, increased $4.7 million, or 5.7%, as compared to 2013, primarily due to increases in talent management and permanent recruitment revenue. Talent management and permanent recruitment revenue increased $2.2 million and $1.8 million, or 11.9% and 9.5%, respectively. The growth in talent management revenue occurred primarily in Belgium from customers in the public sector and manufacturing sector. The growth in permanent recruitment revenue occurred primarily in Belgium, led by practices in sales and marketing, engineering and industrial and I.T., as well as in Spain, led by customers in the health sector.

Gross margin

	Year Ended December 31,						
	2015	2014			2013		
$ in millions	As reported	Constant currency	Change in amount	Change in %	Constant currency	Change in amount	Change in %
Hudson Europe							
Gross margin	$ 81.9	$ 95.5	$ (13.6)	(14.3)%	$ 92.8	$ 2.8	3.0%
Gross margin as a percentage of revenue	38.1%	37.7%	N/A	N/A	36.1%	N/A	N/A
Contracting gross margin as a percentage of contracting revenue	14.3%	16.1%	N/A	N/A	15.8%	N/A	N/A

For the year ended December 31, 2015, contracting, permanent recruitment and talent management gross margins decreased $8.0 million, $4.8 million and $0.5 million, or 27.5%, 10.2% and 2.3%, respectively, as compared to 2014. In the

U.K. and Continental Europe, total gross margin decreased $7.8 million and $5.9 million, or 16.2% and 12.3%, respectively, as compared to 2014. In the U.K., for the year ended December 31, 2015 contracting and permanent recruitment gross margins declined $2.4 million and $5.3 million, or 11.8% and 20.3%, respectively, as compared to 2014. The decline in the U.K. was driven by both lower margins in temporary contracting as well as a reduction in higher margin permanent recruitment revenue in the legal, IT, and accounting and finance practice groups.

The majority of the gross margin decline in Continental Europe is a result of the sale of the Netherlands business effective April 30, 2015. In the Netherlands, total gross margin for the year ended December 31, 2015 decreased $5.7 million, or 67.6%, as compared to 2014. Also contributing to the decrease in gross margin for the year ended December 31, 2015 were declines in France of $1.4 million, or 13.6%, as compared to 2014. The decline in France was largely driven by two large customers in the commodities sector. The declines were partially offset by an increase in Belgium and Spain gross margin. In Belgium, total gross margin for the year ended December 31, 2015, increased $1.6 million, or 7.1%, as compared to the same period in 2014. In Spain, total gross margin for the year ended December 31, 2015, increased $1.4 million, or 39.6%, as compared to the same period in 2014.

For the year ended year ended December 31, 2015, gross margin as a percentage of revenue, was 38.1%, as compared to 37.7%, for 2014. The increase in gross margin, as a percentage of revenue resulted from an increase in the relative mix of higher margin permanent recruitment revenue. The contracting gross margin, as a percentage of revenue, was 14.3% as compared to 16.1%, for 2014. The decline is a result of weaker contracting margins in the U.K. and partial year impact of selling the Netherlands contracting business, which earned a higher than average contracting gross margin.

For the year ended December 31, 2014, permanent recruitment and talent management gross margins increased $2.3 million and $1.4 million, or 5.1% and 7.5%, respectively, as compared to 2013. In the U.K., permanent recruitment gross margins increased $0.8 million, or 3.0%, for the year ended December 31, 2014, as compared to 2013.

In Continental Europe, talent management and permanent recruitment gross margins increased $1.6 million and $1.5 million, or 9.7% and 7.9%, respectively, as compared to 2013. The increases in permanent recruitment and talent management gross margins were attributable to the same factors as described above for revenue from Belgium and Spain. Contracting gross margin, as a percentage of revenue, remained consistent at 16.1% for the year ended December 31, 2014, as compared to 15.8% for 2013. Total gross margin, as a percentage of revenue, was 37.7% for the year ended December 31, 2014, as compared to 36.1% for 2013. The improvement in total gross margin, as a percentage of revenue, was primarily related to a greater proportional increase in permanent recruitment and talent management gross margins in 2014.

SG&A and Non-Op

	Year Ended December 31,						
	2015	2014			2013		
$ in millions	As reported	Constant currency	Change in amount	Change in %	Constant currency	Change in amount	Change in %
Hudson Europe							
SG&A and Non-Op	$ 83.6	$ 95.1	$ (11.4)	(12.0)%	$ 96.8	$ (1.8)	(1.8)%
SG&A and Non-Op as a percentage of revenue	38.9%	37.5%	N/A	N/A	37.7%	N/A	N/A

For the year ended December 31, 2015, SG&A and Non-Op decreased by $11.4 million, or 12.0%, as compared to 2014. SG&A and Non-Op, as a percentage of revenue, was 38.9% for 2015 and remained largely consistent as compared to 37.5% for 2014. The sale of the Netherlands business resulted in a reduction in SG&A and Non-Op expenses for the year ended December 31, 2015 of $4.9 million, or 65.8%, as compared to 2014. In the U.K., lower gross margin resulted in a reduction in employee compensation expense in the year ended December 31, 2015 as compared to the same period in 2014. In addition, actions taken to streamline business processes in 2014, including real estate, back office support functions and reduced corporate management fees, resulted in lower SG&A and Non-Op for the year ended December 31, 2015 as compared to the same periods in 2014. The increase in SG&A and Non-Op, as a percentage of revenue, for the year ended December 31, 2015 was higher due to a relatively larger decline in revenue and change in control stock-based compensation expense of $0.7 million, as compared to the same period in 2014.

For the year ended December 31, 2014, SG&A and Non-Op decreased by $1.8 million, or 1.8%, as compared to 2013. The decrease primarily resulted from reduced real estate costs in Continental Europe as well as lower staff compensation costs.

SG&A and Non-Op, as a percentage of revenue, was 37.5% for 2014, and remained largely consistent as compared to 37.7% for 2013.

Business reorganization expenses

For the year ended December 31, 2015, business reorganization expenses were $2.9 million, as compared to $1.2 million and $2.7 million for the same periods in 2014 and 2013, respectively. Current year business reorganization expenses were primarily attributable to lease exit charges and employee termination costs in the U.K., Central and Eastern Europe and Luxembourg. Business reorganization expenses in 2014 and 2013 were principally attributable to employee termination costs primarily in Belgium, the Netherlands, France and the U.K.

Operating Income and EBITDA

	Year Ended December 31,						
	2015	2014			2013		
$ in millions	As reported	Constant currency	Change in amount	Change in %	Constant currency	Change in amount	Change in %
Hudson Europe							
Operating income (loss):	$ 1.7	$ 2.7	$ (0.9)	(a)	$ (4.2)	$ 6.9	(163.0)%
EBITDA (loss)	$ (0.2)	$ (1.0)	$ 0.8	(a)	$ (7.6)	$ 6.6	(a)
EBITDA (loss) as a percentage of revenue	(0.1)%	(0.4)%	N/A	N/A	(3.0)%	N/A	N/A

(a) Information was not provided because the Company did not consider the change in percentage as a meaningful measure for the years in comparison.

For the year ended December 31, 2015, EBITDA loss was $0.2 million, or 0.1% of revenue, as compared to EBITDA loss of $1.0 million, or 0.4% of revenue, for 2014. The decrease in EBITDA loss for the year ended December 31, 2015 was principally due to the gain on sale of the Netherlands business of $2.8 million and lower SG&A and Non-Op expenses offset by lower gross margin. In addition, during year ended December 31, 2015 there were no impairment charges, as compared to $0.3 million for 2014. Operating income was $1.7 million for the year ended December 31, 2015, as compared to operating $2.7 million for 2014.

For the year ended December 31, 2014, EBITDA loss was $1.0 million, or 0.4% of revenue, as compared to EBITDA loss of $7.6 million, or 3.0% of revenue, for 2013. The decrease in EBITDA loss for the year ended December 31, 2014 was principally due to higher gross margin and lower costs related to reorganization initiatives. Operating income was 2.7 million for the year ended December 31, 2014, as compared to operating loss of $4.2 million for 2013.

The difference between operating income (loss) and EBITDA loss for the years ended December 31, 2015, 2014 and 2013 was principally due to the inclusion of corporate management fees and depreciation in the determination of operating income (loss).

The following are discussed in reported currency

Corporate expenses, net of corporate management fee allocations

For the year ended December 31, 2015, corporate expenses were $8.0 million as compared to $8.8 million for 2014, a decrease of $0.8 million, or 9.0%. The decrease for the year ended December 31, 2015 was due to savings associated with reorganization efforts launched in 2014, offset by $0.8 million of stock-based compensation expense related to the change in control event and $0.7 million of CEO severance costs. Included in prior year were approximately $1.4 million of costs incurred for the proxy contest and organizational strategy review. Excluding these items, corporate expenses decreased approximately $0.9 million, or 11.7%, primarily due to savings associated with reorganization efforts launched in 2014 partially offset by lower proportional corporate allocations to the regions.

For the year ended December 31, 2014, corporate expenses were $8.8 million, as compared to $6.5 million for 2013, an increase of $2.3 million. The increase was principally due to costs incurred in 2014 in connection with the proxy contest for the Company's 2014 annual meeting of stockholders and organizational strategy review of approximately $1.4 million, as well as higher support staff bonus costs. The increases were offset by reductions in support staff salary costs and discretionary expenses as a result of cost savings initiatives completed during 2014.

For the years ended December 31, 2015, 2014 and 2013, business reorganization expenses were $1.2 million, 1.0 million and $0.8 million, respectively, and primarily consisted of lease termination costs and employee termination benefits.

Depreciation and Amortization Expense

Depreciation and amortization expense was $3.8 million, $5.6 million and $5.9 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Interest Expense

Interest expense remained consistent and was $0.7 million for the years ended December 31, 2015 and 2014, as compared $0.6 million for 2013.

Provision for (Benefit from) Income Taxes

The provision for income taxes for the year ended December 31, 2015 was $0.6 million on $2.3 million of pre-tax income, as compared to a benefit for income taxes of $2.2 million on $17.9 million of pre-tax loss for 2014. The effective tax rate for the year ended December 31, 2015 was 28.7%, as compared to 12.0% for 2014. The change in the Company's effective tax rate for the year ended December 31, 2015 as compared to 2014 was primarily attributable to U.S. tax benefits recognized in 2014 with respect to intra-period allocations between continuing and discontinued operations and the gains on the sale or exit of businesses in 2015 which were tax-exempt. For the year ended December 31, 2015, the effective tax rate difference from the U.S. Federal statutory rate of 35% was primarily attributable to changes in valuation allowances in the U.S. and certain foreign jurisdictions which reduces or eliminates the effective tax rate on current year profits or loss, variations from the U.S. Federal statutory rate in foreign jurisdictions, taxes on repatriations of foreign profits, and non-deductible expenses. The effect of state tax rate changes in 2015 on deferred tax assets was offset by an increase in valuation allowance and has no net impact on effective tax rate.

The benefit from income taxes for the year ended December 31, 2014 was $2.2 million on $17.9 million of pre-tax loss, as compared to a provision from income taxes of $3.3 million on a $26.9 million pre-tax loss for 2013. The effective tax rate for the year ended December 31, 2014 was 12.0%, as compared to negative 12.1% for 2013. The change in the Company's effective tax rate for the year ended December 31, 2014 as compared to 2013 was primarily attributable to the Company's current year result and lesser expense for establishment of a valuation reserve for the Company's deferred tax assets in certain foreign jurisdictions. The effective tax rate differed from the U.S. Federal statutory rate of 35% primarily due to the inability to recognize tax benefits on losses, state taxes, non-deductible expenses such as certain acquisition related payments, variations from the U.S. Federal statutory rate in foreign jurisdictions and taxes on repatriations of foreign profits.

Income (Loss) from Discontinued Operations

Income from discontinued operations was $0.7 million for the year ended December 31, 2015, as compared to $2.6 million for 2014 and a loss from discontinued operations of $0.2 million in 2013.

Net Income (Loss)

Net income was $2.3 million for the year ended December 31, 2015, as compared to a loss of $13.2 million for 2014, an increase in net income of $15.5 million. Basic and diluted income per share were both $0.07 for the year ended December 31, 2015, as compared to basic and diluted loss per share of $0.40 for 2014.

Net loss was $13.2 million for the year ended December 31, 2014, as compared to net loss of $30.4 million for 2013, a decrease in net loss of $17.2 million. Basic and diluted loss per share were $0.40 for the year ended December 31, 2014, as compared to a loss of $0.94 for 2013.

Liquidity and Capital Resources

As of December 31, 2015, cash and cash equivalents totaled $37.7 million, as compared to $34.0 million as of December 31, 2014 and $37.4 million as of December 31, 2013. The following table summarizes the cash flow activities for the years ended December 31, 2015, 2014 and 2013:

	For The Year Ended December 31,		
(In millions)	2015	2014	2013
Net cash provided by (used in) operating activities	$ (17.4)	$ (17.8)	$ 2.5
Net cash provided by (used in) investing activities	21.6	16.7	(2.6)
Net cash provided by (used in) financing activities	0.6	(1.3)	(0.5)
Effect of exchange rates on cash and cash equivalents	(1.3)	(1.0)	(0.7)
Net increase (decrease) in cash and cash equivalents	$ 3.7	$ (3.4)	$ (1.3)

Cash Flows from Operating Activities

For the year ended December 31, 2015, net cash used in operating activities was $17.4 million, as compared to net cash used in operating activities of $17.8 million in 2014, a decrease in net cash used in operating activities of $0.4 million. The change in net cash used in operating activities is principally due to a decrease in working capital from the current year divestitures, fluctuations in foreign currency and the timing of cash receipts and payments to vendors and employees. Net cash used in operating activities from discontinued operations was $0.1 million for the year ended December 31, 2015, as compared to cash used in operating activities from discontinued operation of $12.1 million in 2014.

For the year ended December 31, 2014, net cash used in operating activities was $17.8 million, as compared to net cash provided by operating activities of $2.5 million in 2013, a decrease of net cash provided by operating activities of $20.3 million. The decrease in net cash provided by operating activities resulted principally from an increase in accounts receivable, partially offset by lower net loss in 2014. Net cash provided by operating activities from discontinued operations was $12.1 million for the year ended December 31, 2014 as compared to net cash provided by operating activities from discontinued operations of $8.0 million in 2013.

Cash Flows from Investing Activities

For the year ended December 31, 2015, net cash provided by investing activities was $21.6 million, as compared to net cash provided by investing activities of $16.7 million in 2014, an increase in net cash provided by investing activities of $4.9 million. The increase in net cash provided by investing activities was principally related to the proceeds from sale of the US IT and Netherlands businesses in 2015 and a decline in capital expenditures, to $3.1 million in 2015 from $5.3 million in 2014.

For the year ended December 31, 2014, net cash provided by investing activities was $16.7 million, as compared to net cash used in investing activities of $2.6 million in 2013, an increase in net cash provided by investing activities of $19.3 million. The increase in net cash provided by investing activities was principally related to the proceeds from sale of the Legal eDiscovery business and was partially offset by an increase in capital expenditures, to $5.3 million in 2014 from $2.6 million in 2013. The increase in capital expenditures was primarily due to landlord-funded leasehold improvements in connection with newly-leased properties and costs for upgrading the Company's website for mobile device interfaces.

Cash Flows from Financing Activities

For the year ended December 31, 2015, net cash provided by financing activities was $0.6 million, as compared to net cash used in financing activities of $1.3 million in 2014, an increase in net cash provided by financing activities of $1.9 million. The increase in net cash provided by financing activities was primarily attributable to lower repayments of the Company's credit facilities in 2015 as compared to 2014, offset by cash used to purchase treasury stock.

For the year ended December 31, 2014, net cash used in financing activities was $1.3 million, as compared to $0.5 million for 2013, an increase of $0.8 million. The increase in net cash used in financing activities was primarily attributable to net repayments of the Company's credit facilities in 2014 as compared to 2013.

Credit Agreements

Receivables Finance Agreement with Lloyds Bank Commercial Finance Limited and Lloyds Bank PLC

On August 1, 2014, the Company's U.K. subsidiary ("U.K. Borrower") entered into a receivables finance agreement for an asset-based lending funding facility (the "Lloyds Agreement") with Lloyds Bank PLC and Lloyds Bank Commercial Finance Limited (together, "Lloyds"). The Lloyds Agreement provides the U.K. Borrower with the ability to borrow up to $22.1 million (£15.0 million). Extensions of credit are based on a percentage of the eligible accounts receivable less required reserves from the Company's U.K. operations. The initial term is two years with renewal periods every three months thereafter. Borrowings under this facility are secured by substantially all of the assets of the U.K. Borrower.

The credit facility under the Lloyds Agreement contains two tranches. The first tranche is a revolving facility based on the billed temporary contracting and permanent recruitment activities in the U.K. operation ("Lloyds Tranche A"). The borrowing limit of Lloyds Tranche A is $17.7 million (£12.0 million) based on 83% of eligible billed temporary contracting and permanent recruitment receivables. The second tranche is a revolving facility that is based on the unbilled work-in-progress (as defined under the receivables finance agreement) activities in the Company's U.K. operations ("Lloyds Tranche B"). The borrowing limit of Lloyds Tranche B is $4.4 million (£3.0 million) based on 75% of eligible work-in-progress from temporary contracting and 25% of eligible work-in-progress from permanent recruitment activities. For both tranches, borrowings may be made with an interest rate based on a base rate as determined by Lloyds Bank PLC, based on the Bank of England base rate, plus 1.75%.

The Lloyds Agreement contains various restrictions and covenants including (1) that true credit note dilution may not exceed 5%, measured at audit on a regular basis; (2) debt turn may not exceed 55 days over a three month rolling period; (3) dividends by the U.K. Borrower to the Company are restricted to the value of post tax profits; and (4) at the end of each month, there must be a minimum excess availability of $2.9 million (£2.0 million).

The details of the Lloyds Agreement as of December 31, 2015 were as follows:

(In millions)		December 31, 2015
Borrowing capacity	$	7.2
Less: outstanding borrowing		—
Additional borrowing availability	$	7.2
Interest rates on outstanding borrowing		2.25%

The Company was in compliance with all financial covenants under the Lloyds Agreement as of December 31, 2015.

Loan and Security Agreement with Siena Lending Group LLC

Upon the sale of the US IT business, the Company exercised its right to terminate its loan and security agreement with Siena Lending Group LLC ("Siena"). The Company paid Siena a termination fee of $0.2 million recognized as a reduction to the gain on sale of US IT and $0.4 million of cash to secure an outstanding letter of credit for a real estate lease. Siena will return the restricted cash to the Company once the outstanding letter of credit is returned to Siena.

Facility Agreement with National Australia Bank Limited

On October 30, 2015, Hudson Global Resources (Aust) Pty Limited ("Hudson Australia") and Hudson Global Resources (NZ) Limited ("Hudson New Zealand"), both subsidiaries of Hudson Global, Inc., entered into a Finance Agreement, dated as of October 27, 2015 (the "Finance Agreement"), with National Australia Bank Limited ("NAB"), a NAB Corporate Receivables Facility Agreement, dated as of October 27, 2015 (the "Australian Receivables Agreement"), with NAB and a BNZ Corporate Receivables Facility Agreement, dated as of October 27, 2015 (the "New Zealand Receivables Agreement"), with Bank of New Zealand ("BNZ").

The Finance Agreement provides a bank guarantee facility of up to $2.2 million (AUD3.0 million) for Hudson Australia and Hudson New Zealand. The Finance Agreement matures and becomes due and payable on October 27, 2018. A fee equal to 1.5% per annum will be charged on each bank guarantee issued under the Finance Agreement. The Finance Agreement bears a fee, payable semiannually in arrears, equal to 0.3% per annum of NAB's commitment under the Finance Agreement.

The Australian Receivables Agreement provides a receivables facility of up to $18.2 million (AUD25.0 million) for Hudson Australia, which is based on an agreed percentage of eligible accounts receivable, and of which up to $2.9 million (AUD4.0 million) may be used to support the working capital requirements of operations in China, Hong Kong and Singapore. The Australian Receivables Agreement does not have a stated maturity date and can be terminated by Hudson Australia or NAB upon 90 days written notice. Borrowings under the Australian Receivables Agreement may be made with an interest rate based on a market rate plus a margin of 1.5% per annum. The Australian Receivable Agreement bears a fee, payable monthly in advance, equal to $5 thousand (AUD6 thousand) per month.

The New Zealand Receivables Agreement provides a receivables facility of up to $3.4 million (NZD5.0 million) for Hudson New Zealand, which is based on an agreed percentage of eligible accounts receivable. The New Zealand Receivables Agreement does not have a stated maturity date and can be terminated by Hudson New Zealand or BNZ upon 90 days written notice. Borrowings under the New Zealand Receivables Agreement may be made with an interest rate based on a market rate. The New Zealand Receivables Agreement bears a fee, payable monthly in advance, equal to $1 thousand (NZD1 thousand) per month.

The details of the NAB Finance Agreement as of December 31, 2015 were as follows:

(In millions)		December 31, 2015
Finance Agreement:		
Borrowing capacity	$	2.2
Less: outstanding borrowing		—
Additional borrowing availability	$	2.2
Interest rates on outstanding borrowing		2.10%
Australian Receivables Agreement:		
Borrowing capacity	$	12.8
Less: outstanding borrowing		(2.4)
Additional borrowing availability	$	10.4
Interest rates on outstanding borrowing		3.60%
New Zealand Receivables Agreement:		
Borrowing capacity	$	1.7
Less: outstanding borrowing		—
Additional borrowing availability	$	1.7
Interest rates on outstanding borrowing		4.88%

Amounts owing under the Finance Agreement, the Australian Receivables Agreement and the New Zealand Receivables Agreement are secured by substantially all of the assets of Hudson Australia and Hudson New Zealand. Each of the Finance Agreement, the Australian Receivables Agreement and the New Zealand Receivables Agreement contains various restrictions and covenants applicable to the Obligors, including: a requirement that the Obligors maintain (1) a minimum Fixed Charge Coverage Ratio (as defined in the NAB Facility Agreement) of 1.50x as of the last day of each calendar quarter; and (2) a minimum Receivables Ratio (as defined by the NAB Facility Agreement) of 1.20x.

The Company was in compliance with all financial covenants under the NAB Facility Agreement as of December 31, 2015.

Credit Agreement with Westpac Banking Corporation

Upon entering into the Finance agreement with NAB on October 30, 2015, the Company exercised its right to terminate its credit agreement with WestPac Banking Corp ("Westpac"). As of December 31, 2015 the only remaining obligation under the Westpac credit agreement was $1.8 million of financial guarantees. The outstanding financial guarantees will be transferred to the NAB Finance Agreement in 2016.

Other Credit Agreements

The Company also has lending arrangements with local banks through its subsidiaries in Belgium and Singapore. As of December 31, 2015, the Belgium subsidiary had a $1.1 million (€1 million) overdraft facility. Borrowings under the Belgium lending arrangement may be made with an interest rate based on the one month EURIBOR plus a margin, and was 2.75% as of December 31, 2015. The lending arrangement in Belgium has no expiration date and can be terminated with a 15 day notice period. In Singapore, the Company's subsidiary can borrow up to $0.1 million (SGD0.2 million) for working capital purposes. Interest on borrowings under this overdraft facility is based on the Singapore Prime Rate plus 1.75%, which was 6.00% on December 31, 2015. The Singapore overdraft facility expires annually each August but can be renewed for one year periods at that time. There were no outstanding borrowings under Belgium and Singapore lending agreements as of December 31, 2015.

The average monthly outstanding borrowings for the credit agreements above was $4.0 million for the year ended December 31, 2015. The weighted average interest rate on all outstanding borrowings for the year ended December 31, 2015 was 3.42%.

The Company continues to use the aforementioned credit to support its ongoing global working capital requirements, capital expenditures and for other corporate purposes and to support letters of credit. Letters of credit and bank guarantees are used primarily to support office leases.

Liquidity Outlook

As of December 31, 2015, the Company had cash and cash equivalents on hand of $37.7 million supplemented by additional borrowing availability of $20.5 million under the Lloyds Agreement, the NAB Facility Agreement and other lending arrangements in Belgium and Singapore. The Company believes that it has sufficient liquidity to satisfy its needs through at least the next 12 months, based on the Company's total liquidity as of December 31, 2015. The Company's near-term cash requirements during 2016 are primarily related to funding operations, restructuring actions, investing in capital expenditures and paying cash dividends. For 2016, the Company expects to make capital expenditures of approximately $2.0 million to $3.0 million and payments in connection with current restructuring actions of approximately $3.0 million to $4.0 million. The Company is closely managing its capital spending and will perform capital additions where economically prudent, while continuing to invest strategically for future growth.

As of December 31, 2015, $16.2 million of the Company's cash and cash equivalents noted above was held in the U.S. and the remainder was held internationally, primarily in the U.K. ($8.9 million), Belgium ($3.5 million), Mainland China ($2.7 million), Spain ($1.6 million), Hong Kong ($0.9 million), Australia ($0.7 million), and France ($0.6 million). The majority of the Company's offshore cash is available to it as a source of funds, net of any tax obligations or assessments. Unrepatriated cumulative earnings of certain foreign subsidiaries are considered to be invested indefinitely outside of the United States, except where the Company is able to repatriate these earnings to the United States without a material incremental tax provision. In managing its day-to-day liquidity and its capital structure, the Company does not rely on the unrepatriated earnings as a source of funds. The Company has not provided for U.S. Federal income or foreign withholding taxes on these undistributed foreign earnings because a distribution of these foreign earnings with material incremental tax provision is unlikely to occur in the foreseeable future. It is not practicable to determine the amount of tax associated with such undistributed earnings.

The Company believes that future external market conditions remain uncertain, particularly access to credit, rates of near-term projected economic growth and levels of unemployment in the markets in which the Company operates. Due to these uncertain external market conditions, the Company cannot provide assurance that its actual cash requirements will not be greater in the future than those currently expected, especially if market conditions deteriorate substantially. If sources of liquidity are not available or if the Company cannot generate sufficient cash flow from operations, the Company could be required to obtain additional sources of funds through additional operating improvements, capital market transactions, asset sales or financing from third parties, or a combination of those sources. The Company cannot provide assurance that these additional sources of funds will be available or, if available, would have reasonable terms.

Off-Balance Sheet Arrangements

As of December 31, 2015, the Company had no off-balance sheet arrangements.

Contractual Obligations

The Company has entered into various commitments that will affect its cash generation capabilities going forward. Specifically, it has entered into a number of non-cancelable operating leases for facilities and equipment worldwide. Future contractual obligations as of December 31, 2015 were as follows (dollars in thousands) (commitments based in currencies other than U.S. dollars were translated using exchange rates as of December 31, 2015):

Contractual Obligation	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Operating lease obligations	$ 17,476	$ 25,867	$ 14,383	$ 2,584	$ 60,310
Capital lease obligations	112	224	56	—	392
Other purchase obligations	1,363	2,092	261	—	3,716
Other long term liabilities (a)					
Other (b)	1,242	—	—	—	1,242
Total	$ 20,193	$ 28,183	$ 14,700	$ 2,584	$ 65,660

a. The Company's non-current liabilities of $9.8 million in the Consolidated Balance Sheet as of December 31, 2015 are primarily comprised of income taxes, unrecognized tax benefits, deferred rent, and other various accruals. As the timing and/or amounts of any cash payment is uncertain, the related amounts have not been reflected in the table above. Reorganization expenses above included both continuing operations and discontinued operations initiatives. Future minimum lease commitments have not been offset by expected future minimum sublease rental income of $5.5

million, due in the future through 2020 under subleases with third parties. Commitments and sublease rentals based in currencies other than U.S. dollars were translated using exchange rates as of December 31, 2015.

b. Represents remaining employee severance and related costs expected to be paid pursuant to the 2015 Exit Plan and Previous Plans. See Note 13 included in Item 8 of this Form 10-K for additional information.

Contingencies

From time to time in the ordinary course of business, the Company is subject to compliance audits by U.S. federal, state, local and foreign government regulatory, tax and other authorities relating to a variety of regulations, including wage and hour laws, unemployment taxes, workers' compensation, immigration, and income, value-added and sales taxes. The Company is also subject to, from time to time in the ordinary course of business, various claims, lawsuits and other complaints from, for example, clients, candidates, suppliers, landlords for both leased and subleased properties, former and current employees, and regulators or tax authorities. In addition, see Note 14 for a description of a dispute between the Company and its former Chairman and Chief Executive Officer for severance amounts owed under his employment agreement. Periodic events and management actions such as business reorganization initiatives can change the number and type of audits, claims, lawsuits, contract disputes or complaints asserted against the Company. Events can also change the likelihood of assertion and the behavior of third parties to reach resolution regarding such matters.

The economic conditions in the recent past have given rise to many news reports and bulletins from clients, tax authorities and other parties about changes in their procedures for audits, payment, plans to challenge existing contracts and other such matters aimed at being more aggressive in the resolution of such matters in their own favor. The Company believes that it has appropriate procedures in place for identifying and communicating any matters of this type, whether asserted or likely to be asserted, and it evaluates its liabilities in light of the prevailing circumstances. Changes in the behavior of third parties could cause the Company to change its view of the likelihood of a claim and what might constitute a trend. Employment laws vary in the markets in which we operate, and in some cases, employees and former employees have extended periods during which they may bring claims against the Company.

For matters that have reached the threshold of probable and estimable, the Company has established reserves for legal, regulatory and other contingent liabilities. The Company's reserves were $0.1 million and $0.4 million as of December 31, 2015 and 2014, respectively. Although the outcome of these matters cannot be determined, the Company believes that none of the currently pending matters, individually or in the aggregate, will have a material adverse effect on the Company's financial condition, results of operations or liquidity.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of financial statements in accordance with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. GAAP provides the framework from which to make these estimates, assumptions and disclosures. We choose accounting policies within GAAP that our management believes are appropriate to accurately and fairly report our operating results and financial position in a consistent manner. Our management regularly assesses these policies in light of current and forecasted economic conditions. Our accounting policies are stated in Note 2 to our Consolidated Financial Statements included in Item 8. We believe the following accounting policies are critical to understanding our results of operations and affect the more significant judgments and estimates used in the preparation of our Consolidated Financial Statements that are inherently uncertain.

Revenue Recognition

The Company recognizes revenue for temporary services at the time services are provided and revenue is recorded on a time and materials basis. Temporary contracting revenue is reported on a gross basis when the Company acts as the principal in the transaction and is at risk for collection in accordance with ASC 605-45, "*Overall Considerations of Reporting Revenue Gross as a Principal versus Net as an Agent*." The Company's revenues are derived from its gross billings, which are based on (i) the payroll cost of its worksite employees; and (ii) a markup computed as a percentage of the payroll cost.

The Company recognizes revenue for permanent placements based on the nature of the fee arrangement. Revenue generated when the Company permanently places an individual with a client on a contingent basis is recorded at the time of acceptance of employment, net of an allowance for estimated fee reversals. Revenue generated when the Company permanently places an individual with a client on a retained basis is recorded ratably over the period services are rendered, net of an allowance for estimated fee reversals.

ASC 605-45-50-3 and ASC 605-45-50-4, "*Taxes Collected from Customers and Remitted to Governmental Authorities*," provide that the presentation of taxes on either a gross basis (included in revenue and expense) or net basis (excluded from revenue) is an accounting policy decision. The Company collects various taxes assessed by governmental authorities and records these amounts on a net basis.

Accounts Receivable

The Company's accounts receivable balances are composed of trade and unbilled receivables. The Company maintains an allowance for doubtful accounts and makes ongoing estimates as to the collectability of the various receivables. If the Company determines that the allowance for doubtful accounts is not adequate to cover estimated losses, an expense to provide for doubtful accounts is recorded in selling, general and administrative expenses. If an account is determined to be uncollectible, it is written off against the allowance for doubtful accounts. Management's assessment and judgment are vital requirements in assessing the ultimate realization of these receivables, including the current credit-worthiness, financial stability and effect of market conditions on each customer.

Income Taxes

We account for income taxes using the asset and liability method in accordance with ASC 740, "*Income Taxes.*" This standard establishes financial accounting and reporting standards for the effects of income taxes that result from an enterprise's activities. It requires an asset and liability approach for financial accounting and reporting of income taxes.

The calculation of net deferred tax assets assumes sufficient future earnings for the realization of such assets as well as the continued application of currently anticipated tax rates. Included in net deferred tax assets is a valuation allowance for deferred tax assets where management believes it is more likely than not that the deferred tax assets will not be realized in the relevant jurisdiction. If we determine that a deferred tax asset will not be realizable, an adjustment to the deferred tax asset will result in a reduction of earnings at that time. See Note 7 to the Consolidated Financial Statements for further information regarding deferred tax assets and valuation allowance.

ASC 740-10-55-3, "*Recognition and Measurement of Tax Positions - a Two Step Process,*" provides implementation guidance related to the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a two-step evaluation process for a tax position taken or expected to be taken in a tax return. The first step is recognition and the second is measurement. ASC 740 also provides guidance on derecognition, measurement, classification, disclosures, transition and accounting for interim periods. In addition, ASC 740-10-25-9 provides guidance on how to determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits.

The Company's unrecognized tax benefits, if recognized in the future, would affect the annual effective income tax rate. See Note 7 to the Consolidated Financial Statements for further information regarding unrecognized tax benefits. We elected to continue our historical practice of classifying applicable interest and penalties as a component of the provision for income taxes.

We provide tax reserves for Federal, state, local and international exposures relating to periods subject to audit. The development of reserves for these exposures requires judgments about tax issues, potential outcomes and timing, and is a subjective critical estimate. We assess our tax positions and record tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances and information available at the reporting dates. For those tax positions where it is more likely than not that a tax benefit will be sustained, we have recorded the largest amount of tax benefit with greater than 50% likelihood of being realized upon settlement with a tax authority that has full knowledge of all relevant information. For those tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the Consolidated Financial Statements. Where applicable, associated interest and penalties have also been recognized. Although the outcome relating to these exposures are uncertain, we believe that our reserves reflect the probable outcome of known tax contingencies. In certain circumstances, the ultimate outcome of exposures and risks involves significant uncertainties which render them inestimable. If actual outcomes differ materially from these estimates, including those that cannot be quantified, they could have a material impact on our results of operations.

Unrepatriated cumulative earnings of certain foreign subsidiaries are considered to be invested indefinitely outside of the United States, except where the Company is able to repatriate these earnings to the United States without a material incremental tax provision. The Company has not provided for Federal income or foreign withholding taxes on these undistributed foreign earnings because a distribution of these foreign earnings with a material incremental tax provision is unlikely to occur in the foreseeable future. It is not practicable to determine the amount of tax associated with such undistributed earnings.

Long-lived Assets

The Company evaluates the recoverability of the carrying value of its long-lived assets, excluding goodwill, whenever

events or changes in circumstances indicate that the carrying value may not be recoverable. Under such circumstances, the Company assesses whether the projected un-discounted cash flows of its businesses are sufficient to recover the existing unamortized cost of its long-lived assets. If the un-discounted projected cash flows are not sufficient, the Company calculates the impairment amount by discounting the cash flows using its weighted average cost of capital. The amount of the impairment is written-off against earnings in the period in which the impairment has been determined in accordance with ASC 360-10-35, "*Impairment or Disposal of Long-Lived Assets*."

Goodwill

Under ASC 350-20-35, "*Intangibles-Goodwill and Other, Goodwill Subsequent Measurement,*" the Company is required to test goodwill and indefinite-lived intangible assets for impairment on an annual basis as of October 1, or more frequently if circumstances indicate that its carrying value might exceed its current fair value.

ASC 350-20-35 requires a two-step process to identify potential goodwill impairment and to measure the amount of the impairment loss to be recognized, if applicable. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, then goodwill of the reporting unit is not considered impaired and the second step of the impairment test is unnecessary. In contrast, if the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test shall be performed to measure the amount of impairment loss, if any.

Step two of the impairment test, if necessary, consists of determining the implied fair value of each reporting unit's goodwill. In calculating the implied fair value of goodwill, the fair values of the reporting units are allocated to all of the other assets and liabilities of the reporting units based on their fair values. The excess of the fair value of each reporting unit over the amounts assigned to its other assets and liabilities is equal to the implied fair value of its goodwill. The goodwill impairment is measured as the excess of the carrying amount of goodwill over its implied fair value.

To estimate the fair value of a reporting unit, the Company utilizes the income approach, a valuation technique which indicates the fair value of the invested capital of a reporting unit based on the value of the cash flows that it is expected to generate in the future. The discounted cash flow method, an application of the income approach, estimates the future cash flows of the reporting unit and discounts these cash flows to their present value equivalents at a rate of return that considers the relative risk of achieving the cash flows and the time value of money. These cash flows indicate the fair value of the invested capital of the reporting unit on a marketable, controlling basis.

Determining the fair value of a reporting unit is judgmental in nature and involves the use of significant estimates and assumptions. These estimates and assumptions include revenue growth rates, operating margins, corporate overhead allocations, cash flow adjustments related to capital expenditures, and working capital investments and risk-adjusted discount rates used to calculate the present value of the projected future cash flows. We base our fair value estimates on assumptions we believe to be reasonable.

Stock-Based Compensation

The Company applies the fair value recognition provisions of ASC 718, "*Compensation - Stock Compensation.*" The Company determines the fair value as of the grant date. Determining the appropriate fair value model and calculating the fair value of stock compensation awards requires the input of certain complex and subjective assumptions, including the expected life of the stock compensation award and the Company's Common Stock price volatility. In addition, determining the appropriate amount of associated periodic expense requires management to estimate the rate of employee forfeitures and the likelihood of achievement of certain performance targets. The assumptions used in calculating the fair value of stock compensation awards and the associated periodic expense represent management's best estimates, but these estimates involve inherent uncertainties and the application of judgment. As a result, if factors change and the Company deems it necessary in the future to modify the assumptions it made or to use different assumptions, or if the quantity and nature of the Company's stock-based compensation awards changes, then the amount of expense may need to be adjusted and future stock compensation expense could be materially different from what has been recorded in the current period.

For awards with graded vesting conditions, the values of the awards are determined by valuing each tranche separately and expensing each tranche over the required service period. The service period is the period over which the related service is performed, which is generally the same as the vesting period. The Company records stock-based compensation expense net of estimated forfeitures. The Company estimates its forfeiture rate based on historical data such as stock option exercise activities and employee termination patterns. The Company analyzed its historical forfeiture rate, the remaining lives of unvested awards and the amount of vested awards as a percentage of total awards outstanding. If the Company's actual forfeiture rate is materially different from its estimate, or if the Company reevaluates the forfeiture rate in the future, the stock-based compensation expense could be significantly different from what was recorded in the current periods.

Recent Accounting Pronouncements

In November 2015, the FASB issued Accounting Standards Update ("ASU") No. 2015-17, *"Balance Sheet Classification of Deferred Taxes"* ("ASU 2015-17"), which requires that deferred tax assets and liabilities be classified as noncurrent in a classified statement of financial position. The current requirement that deferred tax liabilities and assets of a tax-paying component of an entity be offset and presented as a single amount is not affected by the amendments in this update. It is intended that ASU 2015-17 will simplify the presentation of deferred income taxes. The ASU 2015-17 is effective for financial statements issued for annual periods beginning after December 15, 2015, but early adoption is permitted. The Company has elected to early adopt ASU 2015-17 on a prospective basis for the annual period ended December 31, 2015. Prior periods were not retrospectively adjusted for the adoption of ASU 2015-17.

In April 2015, the FASB issued ASU No. 2015-05, *"Customer's Accounting for Fees Paid in a Cloud Computing Arrangement"* ("ASU 2015-05"), which provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The new guidance does not change the accounting for a customer's accounting for service contracts. ASU 2015-05 is effective for interim and annual reporting periods beginning after December 15, 2015. The Company does not believe the impact of its pending adoption of ASU 2015-05 on the Company's consolidated financial statements will be material.

In April 2015, the FASB issued ASU No. 2015-03, *"Simplifying the Presentation of Debt Issuance Costs"* ("ASU 2015-03"), which amends the current presentation of debt issuance costs in the financial statements. ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts, instead of as an asset. The amendments are to be applied retrospectively and are effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015, but early adoption is permitted. The Company does not believe the impact of its pending adoption of ASU 2015-03 on the Company's consolidated financial statements will be material.

In August 2014, the FASB issued ASU No. 2014-15, "*Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*" ("ASU 2014-15"), to provide guidance on management's responsibility to evaluate whether there is substantial doubt about a company's ability to continue as a going concern within one year after the date that the financial statements are issued. ASU 2014-15 also provides guidance for related footnote disclosures. ASU 2014-15 is effective for the Company beginning on January 1, 2016 with early adoption permitted. The Company does not believe the impact of its pending adoption of ASU 2014-15 on the Company's consolidated financial statements will be material.

In June 2014, the FASB issued ASU No. 2014-12, "*Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*" ("ASU 2014-12"). ASU 2014-12 requires that a performance target that affects vesting and could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in ASC 718, "*Compensation - Stock Compensation*," as it relates to such awards. ASU 2014-12 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2015 with early adoption permitted using either of two methods: (i) prospective to all awards granted or modified after the effective date or (ii) retrospective to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter, with the cumulative effect of applying ASU 2014-12 as an adjustment to the opening retained earnings balance as of the beginning of the earliest annual period presented in the financial statements. Accordingly, the standard is effective for the Company beginning on January 1, 2016. The Company does not believe the impact of its pending adoption of ASU 2014-12 on the Company's consolidated financial statements will be material.

In May 2014, the FASB issued ASU 2014-09, *"Revenue from Contracts with Customers (Topic 606)"* ("ASU 2014-09"). This ASU is a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In July 2015, the FASB amended the effective date of this ASU to fiscal years beginning after December 15, 2017 and early adoption is permitted only for fiscal years beginning after December 15, 2016. Accordingly, we plan to adopt this ASU on January 1, 2018. Companies may use either a full retrospective or a modified retrospective approach to adopt this ASU. The Company is currently evaluating the impact that adopting ASU 2014-09 will have on the Company's financial condition, results of operations, and disclosures.

In April 2014, the FASB issued ASU No. 2014-08, “Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity” (“ASU 2014-08”). ASU 2014-08 raises the threshold for a disposal to qualify as a discontinued operation and requires new disclosures of both discontinued operations and certain other disposals that do not meet the definition of a discontinued operation. ASU 2014-08 is effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2014. Accordingly, the standard was effective for the Company beginning on January 1, 2015. The Company has adopted ASU 2014-08. In 2015, the Company divested and exited certain businesses. Under the new guidance, the exited businesses did not reach the thresholds required to qualify as discontinued operations and, as a result, the operations remain within the Company's continuing operations for all periods presented.

There have been no other new accounting pronouncements not yet effective that have significance, or potential significance, to the Company's Consolidated Financial Statements.

FORWARD-LOOKING STATEMENTS

This Form 10-K contains statements that the Company believes to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this Form 10-K, including statements regarding the Company's future financial condition, results of operations, business operations and business prospects, are forward-looking statements. Words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "predict," "believe" and similar words, expressions and variations of these words and expressions are intended to identify forward-looking statements. All forward-looking statements are subject to important factors, risks, uncertainties and assumptions, including industry and economic conditions that could cause actual results to differ materially from those described in the forward-looking statements. Such factors, risks, uncertainties and assumptions include, but are not limited to, (1) global economic fluctuations, (2) the Company's ability to successfully execute its strategic initiatives, (3) risks related to fluctuations in the Company's operating results from quarter to quarter, (4) the ability of clients to terminate their relationship with the Company at any time, (5) competition in the Company's markets, (6) the negative cash flows and operating losses that the Company has experienced in recent periods and may experience from time to time in the future, (7) restrictions on the Company's operating flexibility due to the terms of its credit facilities, (8) risks associated with the Company's investment strategy, (9) risks related to international operations, including foreign currency fluctuations, (10) the Company's dependence on key management personnel, (11) the Company's ability to attract and retain highly-skilled professionals, (12) the Company's ability to collect its accounts receivable, (13) the Company's ability to achieve anticipated cost savings through the Company's cost reduction initiatives, (14) the Company's heavy reliance on information systems and the impact of potentially losing or failing to develop technology, (15) risks related to providing uninterrupted service to clients, (16) the Company's exposure to employment-related claims from clients, employers and regulatory authorities and limits on related insurance coverage, (17) the Company's ability to utilize net operating loss carry-forwards, (18) volatility of the Company's stock price, and (19) the impact of government regulations. These forward-looking statements speak only as of the date of this Form 10-K. The Company assumes no obligation, and expressly disclaims any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company conducts operations in various countries and faces both translation and transaction risks related to foreign currency exchange. For the year ended December 31, 2015, the Company earned approximately 94% of its gross margin outside the United States ("U.S."), and it collected payments in local currency and paid related operating expenses in such corresponding local currency. Revenues and expenses in foreign currencies translate into higher or lower revenues and expenses in U.S. dollars as the U.S. dollar weakens or strengthens against other currencies. Therefore, changes in exchange rates may affect our consolidated revenues and expenses (as expressed in U.S. dollars) from foreign operations.

Amounts invested in our foreign operations are translated into U.S. dollars at the exchange rates in effect at the balance sheet date. The resulting translation adjustments are recorded as a component of accumulated other comprehensive income in the stockholders' equity section of the Consolidated Balance Sheets. The translation of the foreign currency into U.S. dollars is reflected as a component of stockholders' equity and does not impact our reported net income.

As more fully described in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations," the Company has credit agreements with Lloyds Bank PLC and Lloyds Bank Commercial Finance Limited, National Australia Bank Limited and other credit agreements with lenders in Belgium and Singapore. The Company does not hedge the interest risk on borrowings under the credit agreements, and, accordingly, it is exposed to interest rate risk on the borrowings under such credit agreements. Based on our annual average borrowings, a 1% increase or decrease in interest rates on our borrowings would not have a material impact on our earnings.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

Management's Annual Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15 (f) of the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed 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.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2015 using the criteria set forth in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, the Company's management believes that, as of December 31, 2015, the Company's internal control over financial reporting was effective based on those criteria.

The Company's independent registered public accounting firm, KPMG LLP, has issued a report on the effectiveness of the Company's internal control over financial reporting. That report is set forth immediately following the report of KPMG LLP on the financial statements included herein.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Hudson Global, Inc.:

We have audited the accompanying consolidated balance sheets of Hudson Global, Inc. and subsidiaries (Hudson Global, Inc.) as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, cash flows, and stockholders' equity for each of the years in the three year period ended December 31, 2015. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedules in Item 15(2). These consolidated financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hudson Global, Inc. and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Hudson Global, Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 3, 2016 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

New York, New York

March 3, 2016

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Hudson Global, Inc.:

We have audited Hudson Global, Inc. and subsidiaries' (Hudson Global, Inc.) internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Hudson Global, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's Annual Report on Internal Control Over Financial Reporting." Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Hudson Global, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Hudson Global, Inc. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, cash flows, and stockholders' equity for each of the years in the three-year period ended December 31, 2015, and our report dated March 3, 2016 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

New York, New York

March 3, 2016

HUDSON GLOBAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

	Year Ended December 31,		
	2015	2014	2013
Revenue	$ 463,197	$ 581,192	$ 562,572
Direct costs	275,487	358,347	353,143
Gross margin	187,710	222,845	209,429
Operating expenses:			
Salaries and related	149,442	176,718	169,923
Office and general	40,921	48,131	49,238
Marketing and promotion	4,268	5,472	4,722
Depreciation and amortization	3,845	5,559	5,922
Business reorganization expenses	5,828	3,789	5,440
Impairment of long-lived assets	—	662	1,336
Total operating expenses	204,304	240,331	236,581
Gain (loss) on sale and exit of businesses	19,835	—	—
Operating income (loss)	3,241	(17,486)	(27,152)
Non-operating income (expense):			
Interest income (expense), net	(722)	(661)	(554)
Other income (expense), net	(266)	202	759
Income (loss) from continuing operations before provision for income taxes	2,253	(17,945)	(26,947)
Provision for (benefit from) income taxes from continuing operations	646	(2,159)	3,264
Income (loss) from continuing operations	1,607	(15,786)	(30,211)
Income (loss) from discontinued operations, net of income taxes	722	2,592	(184)
Net income (loss)	$ 2,329	$ (13,194)	$ (30,395)
Earnings (loss) per share:			
Basic and diluted			
Income (loss) from continuing operations	$ 0.05	$ (0.48)	$ (0.93)
Income (loss) from discontinued operations	0.02	0.08	(0.01)
Net income (loss)	$ 0.07	$ (0.40)	$ (0.94)
Weighted-average shares outstanding:			
Basic	33,869	32,843	32,493
Diluted	34,084	32,843	32,493

See accompanying notes to consolidated financial statements.

HUDSON GLOBAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands, except per share amounts)

	Year Ended December 31,		
	2015	2014	2013
Comprehensive income (loss):			
Net income (loss)	$ 2,329	$ (13,194)	$ (30,395)
Other comprehensive income (loss):			
Foreign currency translation adjustment, net of income taxes	(3,326)	(3,718)	(3,623)
Defined benefit pension plans - unrecognized net actuarial gain (loss) and prior service costs (credit), net of income taxes	5	158	260
Total other comprehensive income (loss), net of income taxes	(3,321)	(3,560)	(3,363)
Comprehensive income (loss)	$ (992)	$ (16,754)	$ (33,758)

See accompanying notes to consolidated financial statements.

HUDSON GLOBAL, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

	December 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 37,663	$ 33,989
Accounts receivable, less allowance for doubtful accounts of $860 and $986, respectively	62,420	74,079
Prepaid and other	5,979	9,604
Current assets of discontinued operations	81	1,249
Total current assets	106,143	118,921
Property and equipment, net	7,928	9,840
Deferred tax assets, non-current	6,724	5,648
Other assets	4,154	5,263
Total assets	$ 124,949	$ 139,672
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 5,184	$ 6,371
Accrued expenses and other current liabilities	40,344	54,065
Short-term borrowings	2,368	—
Accrued business reorganization expenses	2,252	3,169
Current liabilities of discontinued operations	1,443	3,512
Total current liabilities	51,591	67,117
Deferred rent	4,244	5,899
Income tax payable, non-current	2,279	2,397
Other non-current liabilities	5,655	5,002
Total liabilities	63,769	80,415
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value, 10,000 shares authorized; none issued or outstanding	—	—
Common stock, $0.001 par value, 100,000 shares authorized; issued 35,260 and 33,671 shares, respectively	34	34
Additional paid-in capital	480,816	476,689
Accumulated deficit	(428,287)	(430,616)
Accumulated other comprehensive income	10,292	13,613
Treasury stock, 646 and 129 shares, respectively, at cost	(1,675)	(463)
Total stockholders' equity	61,180	59,257
Total liabilities and stockholders' equity	$ 124,949	$ 139,672

See accompanying notes to consolidated financial statements.

HUDSON GLOBAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2015	2014	2013
Cash flows from operating activities:			
Net income (loss)	$ 2,329	$ (13,194)	$ (30,395)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	3,845	5,835	6,406
Impairment of long-lived assets	—	1,129	1,336
Provision for (recovery of) doubtful accounts	178	97	(13)
Provision for (benefit from) deferred income taxes	189	(102)	3,140
Stock-based compensation	4,231	1,325	2,090
Gain on sale and exit of businesses	(21,245)	(11,333)	—
Other, net	194	354	562
Changes in operating assets and liabilities, net of effect of dispositions:			
Decrease (increase) in accounts receivable	(1,254)	(7,117)	19,442
Decrease (increase) in prepaid and other assets	2,763	(1,731)	1,227
Increase (decrease) in accounts payable, accrued expenses and other liabilities	(7,902)	4,213	(2,100)
Increase (decrease) in accrued business reorganization expenses	(679)	2,684	818
Net cash provided by (used in) operating activities	(17,351)	(17,840)	2,513
Cash flows from investing activities:			
Capital expenditures	(3,061)	(5,346)	(2,557)
Proceeds from sale of consolidated subsidiary, net of cash sold	7,894	—	—
Proceeds from sale of assets, net of disposal costs	16,815	22,077	—
Net cash provided by (used in) investing activities	21,648	16,731	(2,557)
Cash flows from financing activities:			
Borrowings under credit agreements	147,429	133,030	17,314
Repayments under credit agreements	(144,994)	(133,194)	(16,856)
Repayment of capital lease obligations	(104)	(500)	(467)
Payments for deferred financing costs	(57)	(454)	—
Purchases of treasury stock	(1,386)	—	—
Purchase of restricted stock from employees	(244)	(138)	(488)
Net cash provided by (used in) financing activities	644	(1,256)	(497)
Effect of exchange rates on cash and cash equivalents	(1,267)	(1,024)	(734)
Net increase (decrease) in cash and cash equivalents	3,674	(3,389)	(1,275)
Cash and cash equivalents, beginning of the period	33,989	37,378	38,653
Cash and cash equivalents, end of the period	$ 37,663	$ 33,989	$ 37,378
Supplemental disclosures of cash flow information:			
Cash payments during the period for interest	$ 381	$ 442	$ 235
Cash payments during the period for income taxes, net of refunds	$ 89	$ 970	$ 1,047

See accompanying notes to consolidated financial statements.

HUDSON GLOBAL, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in thousands)

	Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Treasury stock	Total
	Shares	Value					
Balance at January 1, 2013	33,021	$ 33	$ 473,372	$ (387,027)	$ 20,536	$ (373)	$ 106,541
Net income (loss)	—	—	—	(30,395)	—	—	(30,395)
Other comprehensive income (loss), translation adjustments	—	—	—	—	(3,623)	—	(3,623)
Other comprehensive income (loss), pension liability adjustment	—	—	—	—	260	—	260
Purchase of restricted stock from employees	(132)	—	—	—	—	(488)	(488)
Issuance of shares for 401(k) plan contribution	—	—	—	—	—	—	—
Stock-based compensation	443	1	2,089	—	—	—	2,090
Balance at December 31, 2013	33,332	$ 34	$ 475,461	$ (417,422)	$ 17,173	$ (861)	$ 74,385
Net income (loss)	—	—	—	(13,194)	—	—	(13,194)
Other comprehensive income (loss), translation adjustments	—	—	—	—	(3,718)	—	(3,718)
Other comprehensive income (loss), pension liability adjustment	—	—	—	—	158	—	158
Purchase of restricted stock from employees	(36)	—	—	—	—	(129)	(129)
Issuance of shares for 401(k) plan contribution	118	—	(97)	—	—	527	430
Stock-based compensation	128	—	1,325	—	—	—	1,325
Balance at December 31, 2014	33,542	$ 34	$ 476,689	$ (430,616)	$ 13,613	$ (463)	$ 59,257
Net income (loss)	—	—	—	2,329	—	—	2,329
Other comprehensive income (loss), translation adjustments	—	—	—	—	(3,326)	—	(3,326)
Other comprehensive income (loss), pension liability adjustment	—	—	—	—	5	—	5
Purchase of treasury stock	(528)	—	—	—	—	(1,386)	(1,386)
Purchase of restricted stock from employees	(108)	—	—	—	—	(244)	(244)
Issuance of shares for 401(k) plan contribution	116	—	(104)	—	—	418	314
Stock-based compensation	1,589	—	4,231	—	—	—	4,231
Balance at December 31, 2015	34,611	$ 34	$ 480,816	$ (428,287)	$ 10,292	$ (1,675)	$ 61,180

See accompanying notes to consolidated financial statements.

HUDSON GLOBAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

NOTE 1 – DESCRIPTION OF BUSINESS

Hudson Global, Inc. and its subsidiaries (the "Company") are comprised of the operations, assets and liabilities of the three Hudson regional businesses of Hudson Americas, Hudson Asia Pacific, and Hudson Europe ("Hudson regional businesses" or "Hudson"). The Company provides specialized professional-level recruitment and related talent solutions worldwide. The Company's core service offerings include Permanent Recruitment, Temporary Contracting, Recruitment Process Outsourcing ("RPO") and Talent Management Solutions. As of December 31, 2015, the Company had approximately 1,600 employees operating in 12 countries with three reportable geographic business segments: Hudson Americas, Hudson Asia Pacific, and Hudson Europe.

The Company's core service offerings include those services described below.

Permanent Recruitment: Offered on both a retained and contingent basis, Hudson's Permanent Recruitment services leverage its consultants, psychologists and other professionals in the development and delivery of its proprietary methods to identify, select and engage the best-fit talent for critical client roles.

Temporary Contracting: In Temporary Contracting, Hudson provides a range of project management, interim management and professional contract staffing services. These services draw upon a combination of specialized recruiting and project management competencies to deliver a wide range of solutions. Hudson-employed professionals - either individually or as a team - are placed with client organizations for a defined period of time based on a client's specific business need.

RPO: Hudson RPO delivers both permanent recruitment and temporary contracting outsourced recruitment solutions tailored to the individual needs of primarily mid-to-large-cap multinational companies. Hudson RPO's delivery teams utilize state-of-the-art recruitment process methodologies and project management expertise in their flexible, turnkey solutions to meet clients' ongoing business needs. Hudson RPO services include complete recruitment outsourcing, project-based outsourcing, contingent workforce solutions and recruitment consulting.

Talent Management Solutions: Featuring embedded proprietary talent assessment and selection methodologies, Hudson's Talent Management capability encompasses services such as talent assessment (utilizing a variety of competency, attitude and experiential testing), interview training, executive coaching, employee development and outplacement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Unless otherwise stated, amounts are presented in United States of America ("U.S.") dollars and all amounts are in thousands, except for number of shares and per share amounts.

Certain prior year amounts have been reclassified to conform to the current year presentation for discontinued operations. See Note 4 for further details regarding the discontinued operations reclassification.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and all of its wholly-owned and majority-owned subsidiaries. All significant inter-company accounts and transactions between and among the Company and its subsidiaries have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of revenue and expenses. Such estimates include the value of allowances for doubtful accounts, insurance recovery receivable, goodwill, intangible assets, and other long-lived assets, legal reserve and provision, estimated self-insured liabilities, assumptions used in the fair value of stock-based compensation and the valuation of deferred tax assets. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates the estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from those estimates.

Instability in the global credit markets, the instability in the geopolitical environment in many parts of the world and other factors may continue to put pressure on global economic conditions and may in turn impact the aforementioned estimates and assumptions.

Nature of Business and Credit Risk

The Company's revenue is earned from professional placement services, mid-level employee professional staffing and temporary contracting services and human capital services. These services are provided to a large number of customers in many different industries. The Company operates throughout North America, the United Kingdom ("U.K."), Continental Europe, Australia, New Zealand and Asia. During 2015, no single client accounted for more than 10% of the Company's total revenue. As of December 31, 2015, no single client accounted for more than 10% of the Company's outstanding accounts receivable.

Financial instruments, which potentially subject the Company to concentrations of credit risk, are primarily cash and accounts receivable. The Company performs continuing credit evaluations of its customers and does not require collateral. The Company has not experienced significant losses related to receivables.

Revenue Recognition

The Company recognizes revenue for temporary services at the time services are provided and revenue is recorded on a time and materials basis. Temporary contracting revenue is reported on a gross basis when the Company acts as the principal in the transaction and is at risk for collection in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic ("ASC") 605-45, "*Overall Considerations of Reporting Revenue Gross as a Principal versus Net as an Agent.*" The Company's revenues are derived from its gross billings, which are based on (i) the payroll cost of its worksite employees; and (ii) a markup computed as a percentage of the payroll cost.

The Company recognizes revenue for permanent placements based on the nature of the fee arrangement. Revenue generated when the Company permanently places an individual with a client on a contingent basis is recorded at the time of acceptance of employment, net of an allowance for estimated fee reversals. Revenue generated when the Company permanently places an individual with a client on a retained basis is recorded ratably over the period services are rendered, net of an allowance for estimated fee reversals.

ASC 605-45-50-3 and ASC 605-45-50-4, "*Taxes Collected from Customers and Remitted to Governmental Authorities,*" provide that the presentation of taxes on either a gross basis (included in revenue and expense) or net basis (excluded from revenue) is an accounting policy decision. The Company collects various taxes assessed by governmental authorities and records these amounts on a net basis.

Operating Expenses

Salaries and related expenses include the salaries, commissions, payroll taxes and employee benefits related to recruitment professionals, executive level employees, administrative staff and other employees of the Company who are not temporary contractors. Office and general expenses include occupancy, equipment leasing and maintenance, utilities, travel expenses, professional fees and provision for doubtful accounts. The Company expenses the costs of advertising and legal costs as incurred.

Stock-Based Compensation

The Company applies the fair value recognition provisions of ASC 718, "*Compensation - Stock Compensation.*" The Company determines the fair value as of the grant date. For awards with graded vesting conditions, the values of the awards are determined by valuing each tranche separately and expensing each tranche over the required service period. The service period is the period over which the related service is performed, which is generally the same as the vesting period. The Company records stock-based compensation expense net of estimated forfeitures. The Company estimates its forfeiture rate based on historical data such as stock option exercise activities and employee termination patterns. The Company analyzed its historical forfeiture rate, the remaining lives of unvested awards and the amount of vested awards as a percentage of total awards outstanding. If the Company's actual forfeiture rate is materially different from its estimate, or if the Company reevaluates the forfeiture rate in the future, the stock-based compensation expense could be significantly different from what was recorded in the current periods.

For stock options, the Black-Scholes option pricing model considers, among other factors, the expected volatility of the Company's stock price, risk-free interest rates, dividend rate and the expected life of the award. Expected volatilities are calculated based on the historical volatility of the Company's common stock. Volatility is determined using historical prices to estimate the expected future fluctuations in the Company's share price. The risk-free interest rate is based on the U.S. Treasury, the term of which is consistent with the expected term of the option. The dividend rate is assumed to be zero as the Company has never paid dividends on its common stock.

When the Company estimates the expected life of stock options, the Company determines its assumptions for the Black-Scholes option-pricing model in accordance with ASC 718 and SAB No. 107. Significant assumptions used in the valuation of stock options include:

- The expected term of stock options is estimated using the simplified method since the Company currently does not have sufficient stock option exercise history.
- The expected risk free interest rate is based on the U.S. Treasury constant maturity interest rate which term is consistent with the expected term of the stock options.
- The expected volatility is based on the historic volatility.

In December 2007, the Securities and Exchange Commission (“SEC”) staff issued Staff Accounting Bulletin ("SAB") No. 110, *“Certain Assumptions Used In Valuation Methods - Expected Term"*. SAB No. 110 allows companies to continue to use the simplified method, as defined in SAB No. 107, to estimate the expected term of stock options under certain circumstances. The simplified method for estimating expected term uses the mid-point between the vesting term and the contractual term of the stock option. The Company has analyzed the circumstances in which the use of the simplified method is allowed. The Company has opted to use the simplified method for stock options the Company granted because management believes that the Company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term.

In accordance with ASC 718, the Company reflects the tax savings resulting from tax deductions in excess of income tax benefits as a financing cash flow in its Consolidated Statement of Cash Flows, when applicable.

Income Taxes

Earnings from the Company's global operations are subject to tax in various jurisdictions both within and outside the United States. The Company accounts for income taxes in accordance with ASC 740, “*Income Taxes*”. This standard establishes financial accounting and reporting standards for the effects of income taxes that result from an enterprise's activities. It requires an asset and liability approach for financial accounting and reporting of income taxes.

The calculation of net deferred tax assets assumes sufficient future earnings for the realization of such assets as well as the continued application of currently anticipated tax rates. Included in net deferred tax assets is a valuation allowance for deferred tax assets where management believes it is more likely than not that the deferred tax assets will not be realized in the relevant jurisdiction. If we determine that a deferred tax asset will not be realizable, an adjustment to the deferred tax asset will result in a reduction of earnings at that time. See Note 7 to the Consolidated Financial Statements for further information regarding deferred tax assets and valuation allowance.

ASC 740-10-55-3, "*Recognition and Measurement of Tax Positions - a Two Step Process,*" provides implementation guidance related to the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a two-step evaluation process for a tax position taken or expected to be taken in a tax return. The first step is recognition and the second is measurement. ASC 740 also provides guidance on derecognition, measurement, classification, disclosures, transition and accounting for interim periods. The Company provides tax reserves for U.S. Federal, state and local and international unrecognized tax benefits for all periods subject to audit. The development of reserves for these exposures requires judgments about tax issues, potential outcomes and timing, and is a subjective critical estimate. The Company assesses its tax positions and records tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances, and information available at the reporting dates. For those tax positions where it is more likely than not that a tax benefit will be sustained, the Company has recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon settlement with a tax authority that has full knowledge of all relevant information. For those tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements. Where applicable, associated interest and penalties have also been recognized. Although the outcome related to these exposures is uncertain, in management's opinion, adequate provisions for income taxes have been made for estimable potential liabilities emanating from these exposures. In certain circumstances, the ultimate outcome for exposures and risks involve significant uncertainties which render them inestimable. If actual outcomes differ materially from these estimates, including those that cannot be quantified, they could have material impact on the Company's results of operations.

U.S. Federal income and foreign withholding taxes have not been provided on the undistributed earnings of foreign subsidiaries. The Company intends to reinvest these earnings in its foreign operations indefinitely, except where it is able to repatriate these earnings to the United States without a material incremental tax provision. The determination and estimation of the future income tax consequences in all relevant taxing jurisdictions involves the application of highly complex tax laws in the countries involved, particularly in the United States, and is based on the tax profile of the Company in the year of earnings repatriation. Accordingly, it is not practicable to determine the amount of tax associated with such undistributed earnings.

Earnings (Loss) Per Share

Basic earnings (loss) per share ("EPS") are computed by dividing the Company's net income (loss) by the weighted average number of shares outstanding during the period. When the effects are not anti-dilutive, diluted earnings (loss) per share are computed by dividing the Company's net income (loss) by the weighted average number of shares outstanding and the impact of all dilutive potential common shares, primarily stock options "in-the-money" and unvested restricted stock. The dilutive impact of stock options and unvested restricted stock is determined by applying the "treasury stock" method. Performance-based restricted stock awards are included in the computation of diluted earnings per share only to the extent that the underlying performance conditions: (i) are satisfied prior to the end of the reporting period, or (ii) would be satisfied if the end of the reporting period were the end of the related performance period and the result would be dilutive under the treasury stock method. Stock awards subject to vesting or exercisability based on the achievement of market conditions are included in the computation of diluted earnings per share only when the market conditions are met.

Income (loss) per share calculations for each quarter include the weighted average effect for the quarter; therefore, the sum of quarterly income (loss) per share amounts may not equal year-to-date income (loss) per share amounts, which reflect the weighted average effect on a year-to-date basis.

Fair Value of Financial Instruments

The carrying amounts reported in the Consolidated Balance Sheets for cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings approximate fair value because of the immediate or short-term maturity of these financial instruments.

Cash and Cash Equivalents

For financial statement presentation purposes, the Company considers all highly liquid investments having an original maturity of three months or less as cash equivalents.

Accounts Receivable

The Company's accounts receivable balances are composed of trade and unbilled receivables. The Company maintains an allowance for doubtful accounts and makes ongoing estimates as to the ability to collect on the various receivables. If the Company determines that the allowance for doubtful accounts is not adequate to cover estimated losses, an expense to provide for doubtful accounts is recorded in office and general expenses. If an account is determined to be uncollectible, it is written off against the allowance for doubtful accounts. Management's assessment and judgment are vital requirements in assessing the ultimate realization of these receivables, including the current credit-worthiness, financial stability and effect of market conditions on each customer.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed primarily using the straight line method over the following estimated useful lives:

	Years
Furniture and equipment	3 - 8
Capitalized software costs	3 - 5
Computer equipment	2 - 5

Leasehold improvements are amortized over the shorter of their estimated useful lives or the lease term. The amortization periods of material leasehold improvements are estimated at the inception of the lease term.

Capitalized Software Costs

Capitalized software costs consist of costs to purchase and develop software for internal use. The Company capitalizes certain incurred software development costs in accordance with ASC 350-40, *“Intangibles Goodwill and Other: Internal-Use Software.”* Costs incurred during the application-development stage for software purchased and further customized by outside vendors for the Company's use and software developed by a vendor for the Company's proprietary use have been capitalized. Costs incurred for the Company's own personnel who are directly associated with software development are capitalized as appropriate. Capitalized software costs are included in property and equipment.

Long-Lived Assets

The Company evaluates the recoverability of the carrying value of its long-lived assets, excluding goodwill, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Under such circumstances, the Company assesses whether the projected undiscounted cash flows of its businesses are sufficient to recover the existing unamortized cost of its long-lived assets. If the undiscounted projected cash flows are not sufficient, the Company calculates the impairment amount by discounting the cash flows using its weighted average cost of capital. The amount of the impairment is written-off against earnings in the period in which the impairment has been determined in accordance with ASC 360-10-35, “*Impairment or Disposal of Long-Lived Assets*.”

Goodwill

ASC 350-20-35,“*Intangibles-Goodwill and Other, Goodwill Subsequent Measurement,*” requires that goodwill not be amortized but be tested for impairment on an annual basis, or more frequently if circumstances warrant. The Company tests goodwill for impairment annually as of October 1, or more frequently if circumstances indicate that its carrying value might exceed its current fair value. Per the provisions of ASC 350, the Company elects to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. In the qualitative assessment, the Company considers events and circumstances such as macroeconomic conditions, industry and

market considerations, cost factors, overall financial performance and the trend of cash flows, other relevant company-specific events and the "cushion" between a reporting unit's fair value and carrying amount in the recent fair value calculation. If it is concluded that it is more likely than not that the fair value of a reporting unit is less than its carrying value, it is necessary to perform the currently prescribed two-step goodwill impairment test. Otherwise, the two-step goodwill impairment test is not required.

The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. The Company tests goodwill for impairment at the reporting unit level. A reporting unit is an operating segment or one level below an operating segment (referred to as a component). A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and segment management regularly reviews the operating results of that component. The Company's reporting units are the components within the reportable segments identified in Note 19.

If the fair value of a reporting unit exceeds its carrying amount, the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. Step two compares the implied fair value of the reporting unit's goodwill with the current carrying amount of that goodwill. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, an impairment amount equal to the difference is recorded.

Foreign Currency Translation

The financial position and results of operations of the Company's international subsidiaries are determined using local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at the exchange rate in effect at each year-end. Statements of Operations accounts are translated at the average rate of exchange prevailing during each period. Translation adjustments arising from the use of differing exchange rates from period to period are included in the accumulated other comprehensive income (loss) account in stockholders' equity, other than translation adjustments on short-term intercompany balances, which are included in other income (expense). Gains and losses resulting from other foreign currency transactions are included in other income (expense). Intercompany receivable balances of a long-term investment nature are considered part of the Company's permanent investment in a foreign jurisdiction and the gains or losses on these balances are reported in other comprehensive income.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. The Company's other comprehensive income (loss) is primarily comprised of foreign currency translation adjustments, which relate to investments that are permanent in nature, and changes in unrecognized pension and post-retirement benefit costs.

NOTE 3 – DIVESTITURES

Hudson Information Technology (US) business (the "US IT business")

On June 15, 2015, the Company completed the sale (the "US IT Business Sale") of substantially all of the assets (excluding working capital) of its US IT business to Mastech, Inc. (the "Purchaser"). The completion of the US IT Business Sale was effective June 14, 2015. The US IT Business Sale was pursuant to an Asset Purchase Agreement, dated as of May 8, 2015, by and among the Company, Hudson Global Resources Management, Inc., a wholly owned subsidiary of the Company, and the Purchaser. At the closing of the Sale, the Company received from the Purchaser pursuant to the Asset Purchase Agreement the purchase price of $16,977 in cash. The US IT business pre-tax loss in accordance with ASC No. 205 *"Reporting Discontinued Operations"* ("ASC 205") for the year ended December 31, 2015 was $130 compared to a pre-tax profit of $2,167 and $1,195 for the same period in 2014 and 2013, respectively.

On the US IT Business Sale, for the year ended December 31, 2015, the Company recognized a pre-tax gain of $15,918, net of closing and other direct transaction costs. Income tax on the gain of the US IT business sale was $11. For U.S. Federal income tax purposes, the gain is offset in full by net operating loss carryforwards. For state and local income tax purposes, the gain is mostly offset by net operating loss carryforwards. As the divestiture did not meet the requirements for classification as discontinued operations, the gain on sale is presented as a component of income (loss) from operations.

Netherlands business

On May 7, 2015, the Company entered into a Share Purchase Agreement and completed the sale (the "Netherlands Business Sale") of its Netherlands business, to InterBalance Group B.V., effective April 30, 2015, in a management buyout for $9,029, which included cash retained of $1,135. As a result, for the year ended December 31, 2015 the Company recognized a gain of $2,841 on the divestiture of the Netherlands Business Sale, which included $2,799 of non-cash accumulated foreign currency translation losses. Income tax on the gain was $0 because the gain is exempt from Netherlands tax. As the divestiture did not meet the requirements for classification as discontinued operations, the gain on sale is presented as a component of income (loss) from operations. The Netherlands pre-tax profit in accordance with ASC 205 for the years ended December 31, 2015, 2014 and 2013 was $373, $1,799 and $2,382, respectively.

Exit of Businesses in Central and Eastern Europe

In February 2015, the Company's Board of Directors approved the exit of operations in certain countries within Central and Eastern Europe (Ukraine, Czech Republic and Slovakia). During the second quarter of 2015, the Company deemed the liquidation of its Central and Eastern Europe businesses to be substantially complete. In accordance with ASC 830, *"Foreign Currency Matters,"* ("ASC 830") for the year ended December 31, 2015 the Company transferred $1,208 of accumulated foreign currency translation gains from accumulated other comprehensive income to the statement of operations within gain on sale and exit of businesses.

Luxembourg

In March 2015, the Company's management approved the exit of operations in Luxembourg. In the third quarter of 2015, the Company deemed the liquidation of its Luxembourg business to be substantially complete. In accordance with ASC 830, for the year ended December 31, 2015, the Company transferred $132 of accumulated foreign currency translation losses from accumulated other comprehensive income to the statement of operations within gain on sale and exit of businesses.

NOTE 4 – DISCONTINUED OPERATIONS

Effective November 9, 2014, the Company completed the sale of substantially all of the assets and certain liabilities of its Legal eDiscovery business in the U.S. and U.K. to Document Technologies, LLC and DTI of London Limited for $23,000 in cash, and recorded a gain of $11,333 in connection with the sale excluding customary working capital adjustments. Based on the terms of the asset purchase agreement, the Company had no significant continuing involvement in the operations of the Legal eDiscovery business after the disposal transaction. In addition, the Company ceased operations in Sweden, which were included within the Hudson Europe segment, during the third quarter of 2014.

The Company concluded that the divestiture of the Legal eDiscovery business and the cessation of operations in Sweden met the criteria for discontinued operations set forth in ASC No. 205, "*Presentation of Financial Statements.*" The Company reclassified its discontinued operations for all periods presented and has excluded the results of its discontinued operations from continuing operations and from segment results for all periods presented.

The carrying amounts of the major classes of assets and liabilities from the Legal eDiscovery business and Sweden operations included as part of the discontinued operations were as follows:

	December 31, 2015			December 31, 2014		
	eDiscovery	Sweden	Total	eDiscovery	Sweden	Total
Total assets (a)	$ 49	$ 32	$ 81	$ 1,156	$ 93	$ 1,249
Total liabilities (b)	$ 1,439	$ 4	$ 1,443	$ 3,297	$ 215	$ 3,512

a. As of December 31, 2014, other assets from Legal eDiscovery consisted primarily of estimated customary working capital adjustments in connection with the sale of the Legal eDiscovery business.

b. Total liabilities primarily consisted of restructuring liabilities for lease termination payments and severance.

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(in thousands, except share and per share amounts)

Reported results for the discontinued operations by period were as follows:

	For The Year Ended December 31, 2015		
	eDiscovery	Sweden	Total
Revenue	$ (1)	$ 30	$ 29
Gross margin	(30)	30	—
Reorganization expenses (a)	501	(29)	472
Impairment charges	—	—	—
Operating income (loss), excluding gain (loss) from sale of business	(731)	14	(717)
Other non-operating income (loss), including interest	(8)	—	(8)
Gain (loss) from sale of discontinued operations	137	1,273	1,410
Income (loss) from discontinued operations before income taxes	(602)	1,287	685
Provision (benefit) for income taxes (c)	(37)	—	(37)
Income (loss) from discontinued operations	$ (565)	$ 1,287	$ 722

	For The Year Ended December 31, 2014		
	eDiscovery	Sweden	Total
Revenue	$ 54,620	$ 1,513	$ 56,133
Gross margin	9,227	864	10,091
Reorganization expenses	2,861	416	3,277
Impairment charges (b)	467	—	467
Operating income (loss), excluding gain (loss) from sale of business	(5,491)	(1,087)	(6,578)
Other non-operating income (loss), including interest	(9)	(33)	(42)
Gain (loss) from sale of discontinued operations	11,333	—	11,333
Income (loss) from discontinued operations before income taxes	5,833	(1,120)	4,713
Provision (benefit) for income taxes (c)	2,121	—	2,121
Income (loss) from discontinued operations	$ 3,712	$ (1,120)	$ 2,592

	For The Year Ended December 31, 2013		
	eDiscovery	Sweden	Total
Revenue	$ 94,738	$ 2,817	$ 97,555
Gross margin	18,257	2,185	20,442
Reorganization expenses	849	432	1,281
Operating income (loss), excluding gain (loss) from sale of business	1,704	(1,312)	392
Other non-operating income (loss), including interest	(46)	—	(46)
Gain (loss) from sale of discontinued operations	—	—	—
Income (loss) from discontinued operations before income taxes	1,658	(1,312)	346
Provision (benefit) for income taxes (c)	530	—	530
Income (loss) from discontinued operations	$ 1,128	$ (1,312)	$ (184)

a. 2015 reorganization activities from discontinued operations included lease termination payments for offices in the U.S. and the U.K.
b. As a result of the divestiture of the Company's Legal eDiscovery business in the fourth quarter of 2014, the Company recorded impairment charges related to assets no longer in use of $467 in the U.S. and U.K.

c. Income tax expense is provided at the effective tax rate by taxing jurisdiction and differs from the U.S. statutory tax rate of 35% due to the inability of the Company to recognize tax benefits on losses in the U.S. and certain foreign jurisdictions, variations from the U.S. tax rate in foreign jurisdictions, non-deductible expenses and other miscellaneous taxes.

NOTE 5 – REVENUE, DIRECT COSTS AND GROSS MARGIN

The Company's revenue, direct costs and gross margin were as follows:

	For The Year Ended December 31, 2015			
	Temporary Contracting	Permanent Recruitment	Other	Total
Revenue	$ 305,052	$ 118,934	$ 39,211	$ 463,197
Direct costs (1)	262,322	2,733	10,432	275,487
Gross margin	$ 42,730	$ 116,201	$ 28,779	$ 187,710

	For The Year Ended December 31, 2014			
	Temporary Contracting	Permanent Recruitment	Other	Total
Revenue	$ 408,106	$ 126,686	$ 46,400	$ 581,192
Direct costs (1)	345,586	2,369	10,392	358,347
Gross margin	$ 62,520	$ 124,317	$ 36,008	$ 222,845

	For The Year Ended December 31, 2013			
	Temporary Contracting	Permanent Recruitment	Other	Total
Revenue	$ 407,178	$ 113,301	$ 42,093	$ 562,572
Direct costs (1)	341,911	2,219	9,013	353,143
Gross margin	$ 65,267	$ 111,082	$ 33,080	$ 209,429

(1) Direct costs include the direct staffing costs of salaries, payroll taxes, employee benefits, travel expenses and insurance costs for the Company's contractors and reimbursed out-of-pocket expenses and other direct costs. Other than reimbursed out-of-pocket expenses, there are no other direct costs associated with the Permanent Recruitment and Other categories. Gross margin represents revenue less direct costs. The region where services are provided, the mix of contracting and permanent recruitment, and the functional nature of the staffing services provided can affect gross margin.

NOTE 6 – STOCK-BASED COMPENSATION

Equity Compensation Plans

The Company maintains the Hudson Global, Inc. 2009 Incentive Stock and Awards Plan (the "ISAP") pursuant to which it can issue equity-based compensation incentives to eligible participants. The ISAP permits the granting of stock options, restricted stock, and restricted stock units as well as other types of equity-based awards. The Compensation Committee of the Company's Board of Directors (the "Compensation Committee") will establish such conditions as it deems appropriate on the granting or vesting of stock options or restricted stock. While the Company historically granted both stock options and restricted stock to its employees, since 2008 the Company has primarily granted restricted stock to its employees.

The Compensation Committee administers the ISAP and may designate any of the following as a participant under the ISAP: any officer or other employee of the Company or its affiliates or individuals engaged to become an officer or employee, consultants or other independent contractors who provide services to the Company or its affiliates and non-employee directors of the Company. As of December 31, 2015, there were 792,326 shares of the Company's common stock available for future issuance.

All share issuances related to stock compensation plans are issued from the aforementioned stock available for future issuance under stockholder approved compensation plans.

The Company's stock plan agreements provided that a change in control of the Company will occur if, among other things, individuals who were directors as of the date of the agreement and any new director whose appointment or election was approved or recommended by a vote of at least two-thirds of the directors then in office who were either directors on the date of the agreement or whose appointment or election was previously so approved or recommended (each, a "continuing director") cease to constitute a majority of the Company's directors. A change in control occurred as of the Company's 2015 annual meeting of stockholders on June 15, 2015 under these agreements because continuing directors ceased to constitute a majority of the Company's directors. As a result, certain equity awards vested resulting in an accelerated stock-based compensation expense of $2,541 for the year ended December 31, 2015.

A summary of the quantity and vesting conditions for stock-based awards granted to the Company's employees for the year ended December 31, 2015 was as follows:

Vesting conditions	Number of Shares of Restricted Stock Granted	Number of Restricted Stock Units Granted	Total
Performance and service conditions (1)	590,100	105,400	695,500
Vest 100% 18 months after the grant date with service conditions only	150,000	—	150,000
Vest 100% 18 months after the grant date with market and service conditions (2)	350,000	—	350,000
Vest 100% 9 months after the grant date with service conditions only	180,000	—	180,000
Immediately vested	400	100	500
Total shares of stock award granted	1,270,500	105,500	1,376,000

(1) As a result of the June 15, 2015 change in control event all unvested grants of restricted stock and restricted stock units became fully vested.

(2) At the end of the performance period, the restricted stock subject to market condition may vest, in whole or in part, based on the Company's maximum 30-trading-day volume-weighted average common stock price during the period from May 18, 2015 to November 13, 2016 (the "Average Share Price") as compared to specified share price targets. If the Company's Average Share Price is less than $3.50, none of the restricted stock shall vest. 25% of the restricted stock shall vest if the Company's Average Share Price equals $3.50. 50% of the restricted stock shall vest if the Company's Average Share Price equals $4.25. 75% percent of the restricted stock shall vest if the Company's Average Share Price equals $5.00. 100% of the restricted stock shall vest if the Company's Average Share Price is

greater than or equal to $6.00. For Average Share Price results between two share price targets, the percent of Restricted Stock vested shall be determined using linear interpolation.

In accordance with the Company's policy on compensation for non-employee directors, in 2015 the Company granted to a non-employee director 50,000 options to purchase shares of the Company's common stock under the terms of the Hudson Global, Inc. 2009 Incentive Stock and Awards Plan, as amended and restated. The exercise price of the options is the fair market value of a share of common stock on the date of grant. Options have a term of five years and become exercisable 50% immediately on the date of grant and 100% upon the first anniversary of the grant date (provided that if the Company's Board of Directors does not designate such individual as a director nominee for election as a director at the Company's first annual meeting of stockholders following the grant date, then the remainder of such option that has not yet vested will immediately vest).

The Company also maintains the Director Deferred Share Plan (the "Director Plan") pursuant to which it can issue restricted stock units to its non-employee directors. A restricted stock unit is equivalent to one share of the Company's common stock and is payable only in common stock issued under the ISAP upon a director ceasing service as a member of the Board of Directors of the Company. The restricted stock units vest immediately upon grant and are credited to each of the non-employee director's retirement accounts under the Director Plan. During the year ended December 31, 2015, the Company granted 267,239 restricted stock units to its non-employee directors pursuant to the Director Plan.

For the years ended December 31, 2015, 2014 and 2013, the Company's stock-based compensation expense related to stock options, restricted stock and restricted stock units, which are included in the accompanying Consolidated Statements of Operations, were as follows:

	For The Year Ended December 31,		
	2015	2014	2013
Stock options	$ 23	$ 85	$ 354
Restricted stock	3,188	798	1,274
Restricted stock units	1,020	442	462
Total	$ 4,231	$ 1,325	$ 2,090
Tax benefits recognized in jurisdictions where the Company has taxable income	$ 362	$ 98	$ 130

As of December 31, 2015 and 2014, unrecognized compensation expense and weighted average period over which the compensation expense is expected to be recognized relating to the unvested portion of the Company's stock options, restricted stock, and restricted stock unit awards, in each case, based on the Company's historical valuation treatment, were as follows:

	As of December 31,			
	2015		2014	
	Unrecognized Expense	Weighted Average Period in Years	Unrecognized Expense	Weighted Average Period in Years
Stock options	$ 17	0.85	$ —	0.00
Restricted stock	$ 701	0.75	$ 1,561	1.32
Restricted stock units	$ —	0.00	$ 239	1.26

Stock Options

Stock options granted by the Company generally expire between five and ten years after the date of grant and have an exercise price of at least 100% of the fair market value of the underlying share of common stock on the date of grant and generally vest ratably over a four-year period.

The following were the weighted average assumptions used to determine the fair value of stock options granted by the Company and the details of option activity as of and for the respective periods:

	As of December 31,		
	2015	2014	2013
Volatility	48.9%	(a)	(a)
Risk free interest rate	1.1%	(a)	(a)
Dividends	$ —	(a)	(a)
Expected life (years)	2.75	(a)	(a)
Weighted average fair value of options granted during the period	$ 0.81	(a)	(a)

(a) Stock option assumptions are not provided above because there were no options granted during the years ended December 31, 2014 and 2013.

Changes in the Company’s stock options for the years ended December 31, 2015, 2014 and 2013 were as follows:

	For The Year Ended December 31,					
	2015		2014		2013	
	Number of Options	Weighted Average Exercise Price per Share	Number of Options	Weighted Average Exercise Price per Share	Number of Options	Weighted Average Exercise Price per Share
Options outstanding at January 1,	756,800	$ 8.78	800,350	$ 9.15	1,238,650	$ 11.21
Granted	50,000	2.49	—	—	—	—
Forfeited	(485,000)	7.32	—	—	—	—
Expired	(115,800)	13.35	(43,550)	15.50	(438,300)	14.99
Options outstanding at December 31,	206,000	$ 8.13	756,800	$ 8.78	800,350	$ 9.15
Options exercisable at December 31,	181,000	$ 8.91	756,800	$ 8.78	600,350	$ 10.47

The cash proceeds from the exercise of stock options, associated income tax benefits, and total intrinsic value for stock options exercised based on the closing price of the Company's common stock were nil for the years ended December 31, 2015, 2014 and 2013.

The weighted average remaining contractual term and the aggregated intrinsic value for stock options outstanding and exercisable as of December 31, 2015 and 2014 were as follows:

	As of December 31,			
	2015		2014	
	Remaining Contractual Term in Years	Aggregated Intrinsic Value	Remaining Contractual Term in Years	Aggregated Intrinsic Value
Stock options outstanding	2.22	$ 22	4.04	$ —
Stock options exercisable	1.86	$ 11	4.04	$ —

Restricted Stock

Changes in the Company's restricted stock for the years ended December 31, 2015, 2014 and 2013 were as follows:

	For The Year Ended December 31,					
	2015		2014		2013	
	Number of Shares of Restricted Stock	Weighted Average Grant Date Fair Value	Number of Shares of Restricted Stock	Weighted Average Grant Date Fair Value	Number of Shares of Restricted Stock	Weighted Average Grant Date Fair Value
Unvested restricted stock at January 1,	803,999	$ 3.00	997,802	$ 3.00	1,028,916	$ 4.87
Granted	1,270,500	2.17	482,900	3.22	883,321	2.44
Vested	(1,204,798)	2.90	(182,251)	5.21	(406,158)	5.09
Forfeited	(189,701)	3.14	(494,452)	2.39	(508,277)	4.16
Unvested restricted stock at December 31,	680,000	$ 1.60	803,999	$ 3.00	997,802	$ 3.00

The total fair value of restricted stock vested during the years ended December 31, 2015, 2014 and 2013 were as follows:

	For The Year Ended December 31,		
	2015	2014	2013
Fair value of restricted stock vested	$ 2,675	$ 669	$ 1,596

Restricted Stock Units

Changes in the Company's restricted stock units arising from grants to certain employees and non-employee directors for the years ended December 31, 2015, 2014 and 2013 were as follows:

	For The Year Ended December 31,					
	2015		2014		2013	
	Number of Shares of Restricted Stock Unit	Weighted Average Grant-Date Fair Value	Number of Shares of Restricted Stock Unit	Weighted Average Grant-Date Fair Value	Number of Shares of Restricted Stock Unit	Weighted Average Grant-Date Fair Value
Unvested restricted stock units at January 1,	119,940	$ 3.57	115,869	$ 3.65	100,000	$ 5.18
Granted	372,739	2.47	175,759	3.40	175,860	2.90
Vested	(450,179)	2.70	(122,522)	3.86	(154,991)	3.81
Forfeited	(42,500)	3.21	(49,166)	2.42	(5,000)	2.42
Unvested restricted stock units at December 31,	—	$ —	119,940	$ 3.57	115,869	$ 3.65

The total fair value of restricted stock units vested during the years ended December 31, 2015, 2014 and 2013 were as follows:

	For The Year Ended December 31,		
	2015	2014	2013
Fair value of restricted stock units vested	$ 1,022	$ 436	$ 461

Defined Contribution Plan and Employer-matching contributions

The Company maintains the Hudson Global, Inc. 401(k) Savings Plan (the "401(k) plan"). The 401(k) plan allows eligible employees to contribute up to 15% of their earnings to the 401(k) plan. The Company has the discretion to match employees' contributions up to 3% of the employees' earnings through a contribution of the Company's common stock. Vesting of the

Company’s contribution occurs over a five-year period. For the years ended December 31, 2015, 2014 and 2013, the Company’s expenses and contributions to satisfy the prior years’ employer-matching liability for the 401(k) plan were as follows:

	For The Year Ended December 31,		
($ in thousands, except otherwise stated)	**2015**	**2014**	**2013**
Expense recognized for the 401(k) plan	$ 193	$ 385	$ 483
Contributions to satisfy prior years' employer-matching liability			
Number of shares of the Company's common stock issued (in thousands)	116	118	—
Market value per share of the Company's common stock on contribution date (in dollars)	$ 2.71	$ 3.65	$ —
Non-cash contribution made for employer matching liability	$ 314	$ 430	$ —
Additional cash contribution made for employer-matching liability	—	—	651
Total contribution made for employer-matching liability	$ 314	$ 430	$ 651

7 – INCOME TAXES

Income Tax Provision

The domestic and foreign components of income (loss) before income taxes from continuing operations were as follows:

	Year ended December 31,		
	2015	2014	2013
Domestic	$ 3,607	$ (10,342)	$ (7,622)
Foreign	(1,354)	(7,603)	(19,325)
Income (loss) from continuing operations before provision for income taxes	$ 2,253	$ (17,945)	$ (26,947)

The provision for (benefit from) income taxes from continuing operations were as follows:

	Year ended December 31,		
	2015	2014	2013
Current tax provision (benefit):			
U.S. Federal	$ —	$ (1,712)	$ (81)
State and local	18	(550)	126
Foreign	439	205	79
Total current provision for (benefit from) income taxes	457	(2,057)	124
Deferred tax provision (benefit):			
U.S. Federal	—	—	—
State and local	—	—	—
Foreign	189	(102)	3,140
Total deferred provision for (benefit from) income taxes	189	(102)	3,140
Total provision for (benefit from) income taxes from continuing operations	$ 646	$ (2,159)	$ 3,264

Tax Rate Reconciliation

The effective tax rates for the years ended December 31, 2015, 2014 and 2013 were 28.7%, 12.0% and negative 12.1%, respectively. These effective tax rates differ from the U.S. Federal statutory rate of 35% due to state income taxes, changes in valuation allowances in the U.S. and certain foreign jurisdictions which reduces or eliminates the effective tax rate on current year profits or losses, variations from the U.S. Federal statutory rate in foreign jurisdictions, taxes on repatriations of foreign profits, and non-deductible expenses. The effect of state tax rate changes in 2015 on deferred tax assets was offset by an increase in valuation allowance and has no net impact on effective tax rate.

The following is a reconciliation of the effective tax rate from continuing operations for the years ended December 31, 2015, 2014 and 2013 to the U.S. Federal statutory rate of 35%:

	Year ended December 31,		
	2015	2014	2013
Provision for (benefit from) continuing operations at Federal statutory rate of 35%	$ 787	$ (6,281)	$ (9,431)
State income taxes, net of Federal income tax effect	11	(357)	(2)
Change in valuation allowance	447	(3,427)	7,949
Taxes related to foreign income	2,140	5,628	949
Effect of state tax rate changes on deferred tax assets	(6,834)	—	—
Nondeductible expenses	1,375	2,446	2,524
Others	2,720	(168)	1,275
Provision for (benefit from) income taxes	$ 646	$ (2,159)	$ 3,264

Deferred Taxes Assets (Liabilities)

Deferred income taxes are provided for the tax effect of temporary differences between the financial reporting basis and the tax basis of assets and liabilities. As of December 31, 2015 the Company adopted Accounting Standards Update ("ASU") No. 2015-17, "Balance Sheet Classification of Deferred Taxes" on a prospective basis, which required that deferred tax assets and liabilities be classified as noncurrent in a classified statement of financial position. Accordingly, net deferred tax assets as of December 31, 2015 have been classified as non-current and as of December 31, 2014 were classified in other current assets and other assets in the accompanying Consolidated Balance Sheets. Significant temporary differences at December 31, 2015 and 2014 were as follows:

	As of December 31,	
	2015	2014
Deferred tax assets (liabilities):		
Allowance for doubtful accounts	$ 122	$ 124
Property and equipment	321	2,152
Goodwill and intangibles	5,381	7,825
Accrued compensation	2,666	5,506
Accrued liabilities and other	3,244	3,582
Tax loss carry-forwards	154,028	146,644
Deferred tax assets (liabilities) gross, total	165,762	165,833
Valuation allowance	(159,298)	(158,851)
Deferred tax assets (liabilities), net of valuation allowance, total	$ 6,464	$ 6,982

Net Operating Losses (“NOLs”) and Valuation Allowance

At December 31, 2015, the Company had net NOLs for U.S. Federal tax purposes of approximately $314,463. This total includes approximately $16,584 of tax losses that were not absorbed by Monster Worldwide, Inc. ("Monster") on its consolidated U.S. Federal tax returns through the spin off of the Company on April 1, 2003. NOLs expire at various dates through 2035. The NOL balance does not include a deduction in the amount of $5,222 attributable to stock options and restricted stock until such time as the Company recognizes the deferred tax asset associated with such deduction. The Company's utilization of NOLs is subject to an annual limitation imposed by Section 382 of the Internal Revenue Code, which may limit our ability to utilize all of the existing NOLs before the expiration dates. As of December 31, 2015, certain international subsidiaries had NOLs for local tax purposes of $100,978. With the exception of $95,908 of NOLs with an indefinite carry forward period as of December 31, 2015, these losses will expire at various dates through 2035, with $112 scheduled to expire during 2016.

ASC 740-10-30-5 requires that a valuation allowance be established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. In making this assessment, management considers the level of historical taxable income, scheduled reversals of deferred tax liabilities, tax planning strategies, and projected future taxable income. As of

December 31, 2015, $150,832 of the valuation allowance relates to the deferred tax asset for NOLs, $125,785 of which is U.S. Federal and state, and $25,047 of which is foreign, that management has determined will more likely than not expire prior to realization. The remaining valuation allowance of $8,466 relates to deferred tax assets on U.S. and foreign temporary differences that management estimates will not be realized due to the Company's U.S. and foreign tax losses.

Uncertain Tax Positions

As of December 31, 2015 and 2014, the Company's unrecognized tax benefits, including interest and penalties, which would lower the Company's annual effective income tax rate if recognized in the future, were as follows:

	As of December 31,	
	2015	2014
Gross unrecognized tax benefits excluding interest and penalties	$ 2,190	$ 2,634
Less: amount presented as a reduction to a deferred tax asset	447	791
Unrecognized tax benefits, excluding interest and penalties	$ 1,743	$ 1,843
Accrued interest and penalties	536	554
Total unrecognized tax benefits that would impact the effective tax rate	$ 2,279	$ 2,397

The following table shows a reconciliation of the beginning and ending amounts of unrecognized tax benefits, exclusive of interest and penalties:

Balance at January 1, 2015	$ 2,634
Additions based on tax positions related to the current year	148
Additions for tax positions of prior years	—
Reductions for tax positions of prior years	—
Settlements	—
Lapse of statute of limitations	(385)
Currency Translation	(207)
Balance at December 31, 2015	$ 2,190

Estimated interest and penalties classified as part of the provision for income taxes in the Company's Consolidated Statements of Operations for the years ended December 31, 2015, 2014 and 2013 were as follows:

	Year ended December 31,		
	2015	2014	2013
Expense for (benefit of) estimated interest and penalties related to unrecognized tax benefits	$ 50	$ (150)	$ 108

Based on information available as of December 31, 2015, it is reasonably possible that the total amount of unrecognized tax benefits could decrease in the range of $200 to $400 over the next 12 months as a result of projected resolutions of global tax examinations and controversies and potential lapses of the applicable statutes of limitations.

In many cases, the Company's unrecognized tax benefits are related to tax years that remain subject to examination by the relevant tax authorities. Tax years with NOLs remain open until such losses expire or the statutes of limitations for those years when the NOLs are used or expire. As of December 31, 2015, the Company's open tax years remain subject to examination by the relevant tax authorities and currently under income tax examination were principally as follows:

	Year
Earliest tax years remain subject to examination by the relevant tax authorities:	
U.S. Federal	2012
Other U.S. state and local jurisdictions	2011
U.K.	2014
Australia	2011
Majority of other foreign jurisdictions	2010

The Company believes that its tax reserves are adequate for all years subject to examination above.

NOTE 8 – EARNINGS (LOSS) PER SHARE

A reconciliation of the numerators and denominators of the basic and diluted earnings (loss) per share calculations were as follows:

	Year Ended December 31,		
	2015	**2014**	**2013**
Earnings (loss) per share ("EPS"):			
EPS - basic and diluted			
Income (loss) from continuing operations	$ 0.05	$ (0.48)	$ (0.93)
Income (loss) from discontinued operations	0.02	0.08	(0.01)
Net income (loss)	$ 0.07	$ (0.40)	$ (0.94)
EPS numerator - basic and diluted:			
Income (loss) from continuing operations	$ 1,607	$ (15,786)	$ (30,211)
Income (loss) from discontinued operations, net of income taxes	722	2,592	(184)
Net income (loss)	$ 2,329	$ (13,194)	$ (30,395)
EPS denominator (in thousands):			
Weighted average common stock outstanding - basic	33,869	32,843	32,493
Common stock equivalents: stock options and other stock-based awards (a)	215	—	—
Weighted average number of common stock outstanding - diluted	34,084	32,843	32,493

(a) For the periods in which net losses are presented, the diluted weighted average number of shares of common stock outstanding did not differ from the basic weighted average number of shares of common stock outstanding because the effects of any potential common stock equivalents (see Note 6 for further details on outstanding stock options, unvested restricted stock units and unvested restricted stock) were anti-dilutive and therefore not included in the calculation of the denominator of dilutive earnings per share.

The weighted average number of shares outstanding used in the computation of diluted net income (loss) per share for the years ended December 31, 2015, 2014 and 2013 did not include the effect of the following potentially outstanding shares of common stock because the effect would have been anti-dilutive or market conditions have not been achieved:

	Year Ended December 31,		
	2015	2014	2013
Unvested restricted stock	350,000	803,999	997,802
Unvested restricted stock units	—	119,940	115,869
Stock options	206,000	756,800	800,350
Total	556,000	1,680,739	1,914,021

NOTE 9 – RESTRICTED CASH

A summary of the Company's restricted cash included in the accompanying Consolidated Balance Sheets as of December 31, 2015 and 2014 was as follows:

	As of December 31,	
	2015	2014
Included under the caption "Other assets":		
Collateral accounts	$ 229	$ 618
Rental deposits	480	802
Total amount under the caption "Other assets":	$ 709	$ 1,420
Included under the caption "Prepaid and other":		
Client guarantees	$ 118	$ 52
Other	110	123
Total amount under the caption "Prepaid and other"	$ 228	$ 175
Total restricted cash	$ 937	$ 1,595

Collateral accounts primarily include deposits held under a collateral trust agreement, which supports the Company's workers' compensation policy. The rental deposits with banks include amounts held as guarantees from subtenants in the U.K. Client guarantees were held in banks in Belgium as deposits for various client projects. Other primarily includes bank guarantee for licensing in Switzerland.

NOTE 10 – PROPERTY AND EQUIPMENT, NET

As of December 31, 2015 and 2014, property and equipment, net were as follows:

	As of December 31,	
	2015	2014
Computer equipment	$ 5,911	$ 8,806
Furniture and equipment	2,668	5,352
Capitalized software costs	17,946	25,228
Leasehold and building improvements	15,522	21,368
	42,047	60,754
Less: accumulated depreciation and amortization	34,119	50,914
Property and equipment, net	$ 7,928	$ 9,840

The Company had expenditures of approximately $513 and $1,006 for acquired property and equipment, mainly consisting of software development, fixtures, computer equipment and leasehold improvements, which had not been placed in service as of December 31, 2015 and 2014, respectively. Depreciation expense is not recorded for such assets until they are placed in service.

Impairment of Long-Lived Assets

During the fourth quarter of 2015, the Company experienced continued declines in the operating results of certain markets. These events were deemed to be triggering events that required the Company to perform an impairment assessment with respect to long-lived assets, primarily property and equipment. With respect to these long-lived assets, the Company estimated future cash flows over their expected life, and determined whether, on an undiscounted basis, the expected cash flows exceeded their carrying value. When the assets' carrying amount exceeds their fair value, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the assets. The fair values of long-lived assets are based on the Company's own judgments about the assumptions that market participants would use in pricing the asset and on observable market data, when available. These measurements are classified as Level 3 within the fair value hierarchy. The impairment assessment indicated the Company's long-lived assets were not impaired.

Non-Cash Capital Expenditures

The Company has acquired certain computer equipment under capital lease agreements. The current portion of the capital lease obligations are included under the caption “Accrued expenses and other current liabilities” in the Consolidated Balance Sheets and the non-current portion of the capital lease obligations are included under the caption “Other non-current liabilities” in the Consolidated Balance Sheets as of December 31, 2015 and 2014. A summary of the Company’s equipment acquired under capital lease agreements was as follows:

	As of December 31,	
	2015	2014
Capital lease obligation, current	$ 62	$ 77
Capital lease obligation, non-current	$ 229	$ 348

The Company acquired $0 and $557 of property and equipment under capital lease agreements for the years ended December 31, 2015 and 2014, respectively. Capital expenditures for the year ended December 31, 2014 included $1,221 of landlord-funded tenant improvements for the Company's leased properties in Australia.

NOTE 11 – GOODWILL

The following is a summary of the changes in the carrying value of the Company’s goodwill, which was included under the caption of Other Assets in the accompanying Condensed Consolidated Balance Sheets, for the years ended December 31, 2015 and 2014. The goodwill is related to the Company’s acquisition of the businesses of Tong Zhi (Beijing) Consulting Service Ltd and Guangzhou Dong Li Consulting Service Ltd.

	Carrying Value	
	2015	2014
Goodwill, January 1,	$ 2,029	$ 2,078
Currency translation	(91)	(49)
Goodwill, December 31,	$ 1,938	$ 2,029

On October 1, 2015 and 2014, the Company applied ASU 2011-08, “*Testing Goodwill for Impairment”* and performed quantitative and qualitative assessments, respectively, to determine whether it was more likely than not that the fair value of its China reporting unit was less than its carrying value. At the conclusion of its assessment, the Company determined the fair value of the reporting unit substantially exceeds its carrying value. As such, the Company determined that no impairment of goodwill had taken place. During the fourth quarter of 2015, the Company performed additional assessment with respect to goodwill and noted no negative triggering events. At the conclusion of its assessment, the Company determined that no impairment of goodwill existed in its China reporting unit as of December 31, 2015.

NOTE 12 – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

As of December 31, 2015 and 2014, the Company's accrued expenses and other current liabilities consisted of the following:

	December 31,	
	2015	2014
Salaries, commissions and benefits	$ 23,684	$ 34,390
Sales, use and income taxes	6,096	8,492
Fees for professional services	1,760	1,912
Rent	1,218	1,519
Deferred revenue	1,722	1,167
Other accruals	5,864	6,585
Total accrued expenses and other liabilities	$ 40,344	$ 54,065

NOTE 13 – BUSINESS REORGANIZATION EXPENSES

The Company initiated and executed certain strategic actions requiring business reorganization expenses ("2015 Exit Plan"). Business exit costs associated with the 2015 Exit Plan primarily consisted of employee termination benefits, lease termination payments and costs for elimination of contracts for certain discontinued services and locations.

The Board previously approved other reorganization plans through 2014 (“Previous Plans”) to streamline the Company’s support operations and included actions to reduce support functions to match them to the scale of the business, to exit underutilized properties and to eliminate contracts for certain discontinued services. These actions resulted in costs for lease termination payments, employee termination benefits and contract cancellations.

For the year ended December 31, 2015, restructuring charges associated with these initiatives primarily included employee separation costs for 63 positions in Europe and the Americas and lease termination payments for rationalized offices in the U.S. and Europe under the 2015 Exit Plan and Previous Plans.

Business reorganization expenses from continuing operations for the years ended December 31, 2015, 2014 and 2013 for the 2015 Exit Plan and the Previous Plans, collectively, were as follows:

	Year Ended December 31,		
	2015	2014	2013
Business reorganization expenses from continuing operations			
Previous Plans	$ 3,768	$ 3,789	$ 5,440
2015 Plan	2,060	—	—
Total business reorganization expenses from continuing operations	$ 5,828	$ 3,789	$ 5,440

The following table contains amounts for Changes in Estimate, Additional Charges, and Payments related to prior restructuring plans that were incurred or recovered during the year ended December 31, 2015. The amounts for Changes in Estimate and Additional Charges are classified as business reorganization expenses in the Company's Consolidated Statements of Operations. Amounts in the "Payments" column represent primarily the cash payments associated with the reorganization plans. Changes in the accrued business reorganization expenses for the year ended December 31, 2015 were as follows:

	December 31, 2014	Changes in Estimate	Additional Charges	Payments	December 31, 2015
Lease termination payments	$ 1,992	$ 790	$ 1,877	$ (1,689)	$ 2,970
Employee termination benefits	1,772	(48)	2,157	(2,695)	1,186
Other associated costs	—	147	905	(844)	208
Total	$ 3,764	$ 889	$ 4,939	$ (5,228)	$ 4,364

Lease Termination Payments

The business reorganization expenses incurred for lease termination for the years ended December 31, 2015, 2014 and 2013 by segment were as follows:

Lease termination payments for the year ended December 31,	Hudson Americas	Hudson Asia Pacific	Hudson Europe	Corporate	Total
2015	$ 503	$ 625	$ 1,358	$ 181	$ 2,667
2014	$ 91	$ 771	$ 40	$ —	$ 902
2013	$ (22)	$ 445	$ 713	$ —	$ 1,136

Employee Termination Benefits

The business reorganization expenses incurred for employee termination benefits for the years ended December 31, 2015, 2014 and 2013 by segment were as follows:

Employee termination benefits for the year ended December 31,	Hudson Americas	Hudson Asia Pacific	Hudson Europe	Corporate	Total
2015	$ 350	$ (2)	$ 792	$ 969	$ 2,109
2014	$ 3	$ 510	$ 1,285	$ 967	$ 2,765
2013	$ 470	$ 505	$ 2,120	$ 790	$ 3,885

Other Associated Costs

Other associated business reorganization expenses incurred for contract cancellation costs and other professional fees for the years ended December 31, 2015, 2014 and 2013 by segment were as follows:

Other Associated Costs for the year ended December 31,	Hudson Americas	Hudson Asia Pacific	Hudson Europe	Corporate	Total
2015	$ 255	$ 47	$ 733	$ 17	$ 1,052
2014	$ —	$ 40	$ 82	$ —	$ 122
2013	$ —	$ 37	$ 381	$ —	$ 418

14 – COMMITMENTS AND CONTINGENCIES

Leases

The Company leases facilities and equipment under operating leases that expire at various dates through 2027. Some of the operating leases provide for increasing rents over the term of the lease. Total rent expense under these leases is recognized ratably over the lease terms. As of December 31, 2015, future minimum lease commitments under non-cancelable operating leases, which will be expensed as primarily in office and general expenses, were as follows:

2016	$ 17,476
2017	13,717
2018	12,150
2019	8,940
2020	5,443
Thereafter	2,584
	$ 60,310

Rent and related expenses for operating leases of facilities and equipment recorded under the caption “Office and general” in the accompanying Consolidated Statements of Operations were $11,091, $14,834, and $16,801 for the years ended December 31, 2015, 2014 and 2013, respectively. Future minimum lease commitments have not been offset by expected future minimum sublease rental income of $5,506, due in the future through 2020 under subleases with third parties. Commitments and sublease rentals based in currencies other than U.S. dollars were translated using exchange rates as of December 31, 2015.

Asset Retirement Obligations

The Company has certain asset retirement obligations that are primarily the result of legal obligations for the removal of leasehold improvements and restoration of premises to their original condition upon termination of leases. The current portion of asset retirement obligations are included under the caption “Accrued expenses and other current liabilities” in the Consolidated Balance Sheets. The non-current portion of asset retirement obligations are included under the caption “Other non-current liabilities” in the Consolidated Balance Sheets. The Company’s asset retirement obligations that are included in the Consolidated Balance Sheets as of December 31, 2015 and 2014 were as follows:

	As of December 31,	
	2015	2014
Current portion of asset retirement obligations	$ 142	$ 25
Non-current portion of asset retirement obligations	1,820	2,436
Total asset retirement obligations	$ 1,962	$ 2,461

Consulting, Employment and Non-compete Agreements

The Company has entered into various consulting, and employment agreements with certain key members of management. These agreements generally (i) are one year in length, (ii) contain restrictive covenants, (iii) under certain circumstances, provide for compensation and subject to providing the Company with a release, severance payments, and (iv) are automatically renewed annually unless either party gives sufficient notice of termination.

Litigation and Complaints

The Company is subject, from time to time, to various claims, lawsuits, contracts disputes and other complaints from, for example, clients, candidates, suppliers, landlords for both leased and subleased properties, former and current employees, and regulators or tax authorities arising in the ordinary course of business. The Company routinely monitors claims such as these, and records provisions for losses when the claim becomes probable and the amount due is estimable. Although the outcome of these claims cannot be determined, the Company believes that the final resolution of these matters will not have a material adverse effect on the Company’s financial condition, results of operations or liquidity.

For matters that have reached the threshold of probable and estimable, the Company has established reserves for legal, regulatory and other contingent liabilities. The Company’s reserves were $109 and $376 as of December 31, 2015 and 2014, respectively.

Potential Costs Associated with Termination

The Company has incurred compensation and benefits obligations to its former Chairman and Chief Executive Officer, Manuel Marquez, under his employment agreement in connection with the Company providing Mr. Marquez notice of non-renewal of his employment agreement, which is treated as a termination of his employment without cause. The Company has accrued $665 as of December 31, 2015 in connection with compensation and benefits Mr. Marquez is entitled to upon a termination without cause. Mr. Marquez does not agree with this treatment of compensation and benefits under his employment agreement and, on August 13, 2015, filed an arbitration claim against the Company for additional amounts of up to approximately $2,000. The Company does not agree with Mr. Marquez’s interpretation of the employment agreement and intends to vigorously defend against such claim for additional amounts.

NOTE 15 – CREDIT AGREEMENTS

Receivables Finance Agreement with Lloyds Bank Commercial Finance Limited and Lloyds Bank PLC

On August 1, 2014, the Company's U.K. subsidiary ("U.K. Borrower") entered into a receivables finance agreement for an asset-based lending funding facility (the "Lloyds Agreement") with Lloyds Bank PLC and Lloyds Bank Commercial Finance Limited (together, "Lloyds"). The Lloyds Agreement provides the U.K. Borrower with the ability to borrow up to $22,104 (£15,000). Extensions of credit are based on a percentage of the eligible accounts receivable less required reserves from the Company's U.K. operations. The initial term is two years with renewal periods every three months thereafter. Borrowings under this facility are secured by substantially all of the assets of the U.K. Borrower. The credit facility under the Lloyds Agreement contains two tranches. The first tranche is a revolving facility based on the billed temporary contracting and permanent recruitment activities in the U.K. operation ("Lloyds Tranche A"). The borrowing limit of Lloyds Tranche A is $17,683 (£12,000) based on 83% of eligible billed temporary contracting and permanent recruitment receivables. The second tranche is a revolving facility that is based on the unbilled work-in-progress (as defined under the receivables finance agreement) activities in the U.K. operation ("Lloyds Tranche B"). The borrowing limit of Lloyds Tranche B is $4,421 (£3,000) based on 75% of eligible work-in-progress from temporary contracting and 25% of eligible work-in-progress from the permanent recruitment. For both tranches, borrowings may be made with an interest rate based on a base rate as determined by Lloyds Bank PLC, based on the Bank of England base rate, plus 1.75%.

The Lloyds Agreement contains various restrictions and covenants including (1) that true credit note dilution may not exceed 5%, measured at audit on a regular basis; (2) debt turn may not exceed 55 days over a three month rolling period; (3) dividends by the U.K. Borrower to the Company are restricted to the value of post tax profits; and (4) at the end of each month, there must be a minimum excess availability of $2,947 (£2,000).

The details of the Lloyds Agreement as of December 31, 2015 were as follows:

	December 31, 2015
Borrowing capacity	$ 7,202
Less: outstanding borrowing	—
Additional borrowing availability	$ 7,202
Interest rates on outstanding borrowing	2.25%

The Company was in compliance with all financial covenants under the Lloyds Agreement as of December 31, 2015.

Loan and Security Agreement with Siena Lending Group LLC

Upon the sale of US IT business, the Company exercised its right to terminate its loan and security agreement with Siena Lending Group LLC ("Siena"). The Company paid Siena a termination fee of $161 recognized as a reduction to the gain on sale of the US IT business and $417 of cash to secure an outstanding letter of credit for a real estate lease. Siena will return the restricted cash to the Company once the outstanding letter of credit is returned to Siena.

Facility Agreement with National Australia Bank Limited

On October 30, 2015, Hudson Global Resources (Aust) Pty Limited ("Hudson Australia") and Hudson Global Resources (NZ) Limited ("Hudson New Zealand"), both subsidiaries of Hudson Global, Inc., entered into a Finance Agreement, dated as of October 27, 2015 (the "Finance Agreement"), with National Australia Bank Limited ("NAB"), a NAB Corporate Receivables Facility Agreement, dated as of October 27, 2015 (the "Australian Receivables Agreement"), with NAB and a BNZ Corporate Receivables Facility Agreement, dated as of October 27, 2015 (the "New Zealand Receivables Agreement"), with Bank of New Zealand ("BNZ").

The Finance Agreement provides a bank guarantee facility of up to $2,186 (AUD3,000) for Hudson Australia and Hudson New Zealand. The Finance Agreement matures and becomes due and payable on October 27, 2018. A fee equal to 1.5% per annum will be charged on each bank guarantee issued under the Finance Agreement. The Finance Agreement bears a fee, payable semiannually in arrears, equal to 0.3% per annum of NAB's commitment under the Finance Agreement.

The Australian Receivables Agreement provides a receivables facility of up to $18,218 (AUD25,000) for Hudson Australia, which is based on an agreed percentage of eligible accounts receivable, and of which up to $2,915 (AUD4,000) may be used to support the working capital requirements of operations in China, Hong Kong and Singapore. The Australian Receivables Agreement does not have a stated maturity date and can be terminated by Hudson Australia or NAB upon 90 days written notice. Borrowings under the Australian Receivables Agreement may be made with an interest rate based on a market rate plus a margin of 1.5% per annum. The Australian Receivable Agreement bears a fee, payable monthly in advance, equal to $5 (AUD6) per month.

The New Zealand Receivables Agreement provides a receivables facility of up to $3,417 (NZD5,000) for Hudson New Zealand, which is based on an agreed percentage of eligible accounts receivable. The New Zealand Receivables Agreement does not have a stated maturity date and can be terminated by Hudson New Zealand or BNZ upon 90 days written notice. Borrowings under the New Zealand Receivables Agreement may be made with an interest rate based on a market rate. The New Zealand Receivables Agreement bears a fee, payable monthly in advance, equal to $1 (NZD1) per month.

The details of the NAB Finance Agreement as of December 31, 2015 were as follows:

	December 31, 2015
Finance Agreement:	
Borrowing capacity	$ 2,186
Less: outstanding borrowing	—
Additional borrowing availability	$ 2,186
Interest rates on outstanding borrowing	2.10%
Australian Receivables Agreement:	
Borrowing capacity	$ 12,755
Less: outstanding borrowing	(2,368)
Additional borrowing availability	$ 10,387
Interest rates on outstanding borrowing	3.60%
New Zealand Receivables Agreement:	
Borrowing capacity	$ 1,688
Less: outstanding borrowing	—
Additional borrowing availability	$ 1,688
Interest rates on outstanding borrowing	4.88%

Amounts owing under the Finance Agreement, the Australian Receivables Agreement and the New Zealand Receivables Agreement are secured by substantially all of the assets of Hudson Australia and Hudson New Zealand. Each of the Finance Agreement, the Australian Receivables Agreement and the New Zealand Receivables Agreement contains various restrictions and covenants applicable to the Obligors, including: a requirement that the Obligors maintain (1) a minimum Fixed Charge Coverage Ratio (as defined in the NAB Facility Agreement) of 1.50x as of the last day of each calendar quarter; and (2) a minimum Receivables Ratio (as defined by the NAB Facility Agreement) of 1.20x.

The Company was in compliance with all financial covenants under the NAB Facility Agreement as of December 31, 2015.

Credit Agreement with Westpac Banking Corporation

Upon entering into the Finance agreement with NAB on October 30, 2015, the Company exercised its right to terminate its credit agreement with WestPac Banking Corp ("Westpac"). As of December 31, 2015 the only remaining obligation under the Westpac credit agreement was $1,765 of financial guarantees. The outstanding financial guarantees will be transferred to the NAB Finance Agreement in 2016.

Other Credit Agreements

The Company also has lending arrangements with local banks through its subsidiaries in Belgium and Singapore. The Belgium subsidiary had a $1,086 (€1,000) overdraft facility as of December 31, 2015. Borrowings under the Belgium lending arrangement may be made using an interest rate based on the one month EURIBOR plus a margin, and the interest rate under each of these arrangements was 2.75% as of December 31, 2015. The lending arrangement in Belgium has no expiration date and can be terminated with a 15-day notice period. In Singapore, the Company's subsidiary can borrow up to $141 (SGD200) for working capital purposes. Interest on borrowings under this overdraft facility is based on the Singapore Prime Rate plus a margin of 1.75%, which was 6.0% on December 31, 2015. The Singapore overdraft facility expires annually each August but can be renewed for one year periods at that time. The outstanding borrowings under the Belgium and Singapore lending agreements were $0 as of December 31, 2015.

The average monthly outstanding borrowings for the credit agreements above was $3,989 for the year ended December 31, 2015. The weighted average interest rate on all outstanding borrowings for the year ended December 31, 2015 was 3.42%.

The Company continues to use the aforementioned credit to support its ongoing global working capital requirements, capital expenditures and other corporate purposes and to support letters of credit. Letters of credit and bank guarantees are used primarily to support office leases.

NOTE 16 – STOCKHOLDERS' EQUITY

On July 30, 2015, the Company announced that its Board of Directors authorized the repurchase of up to $10,000 of the Company's common stock. The Company intends to make purchases from time to time as market conditions warrant. This authorization does not expire. Through December 31, 2015, the Company had repurchased 527,634 shares in the open market for a total cost of $1,386.

NOTE 17 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive income (loss), net of tax, consisted of the following:

	December 31,	
	2015	2014
Foreign currency translation adjustments	$ 10,159	$ 13,485
Pension plan obligations	133	128
Accumulated other comprehensive income (loss)	$ 10,292	$ 13,613

As a result of the sale of the Netherlands business and substantially complete liquidation of certain foreign owned entities, the net foreign currency translation loss transferred from accumulated other comprehensive income and included in determining net income (loss) was $450 for year ended December 31, 2015. No such adjustment was recorded in the prior year. See Note 3 and 4 regarding the substantially complete liquidation of certain foreign owned entities and the sale of the Netherlands business.

For the years ended December 31, 2015 and 2014, the amounts of accumulated other comprehensive income (loss), which primarily pertained to pension plan obligations, were $19 and $0, respectively, and reclassified to the Consolidated Statement of Operations under the caption "Salaries and related" expenses.

NOTE 18 – SHELF REGISTRATION AND STOCKHOLDER RIGHTS PLAN

Acquisition Shelf Registration Statement

The Company has a shelf registration on file with the SEC to enable it to issue up to 1,350,000 shares of its common stock from time to time in connection with acquisitions of businesses, assets or securities of other companies, whether by purchase, merger or any other form of acquisition or business combination. If any shares are issued using this shelf registration, the Company will not receive any proceeds from these offerings other than the assets, businesses or securities acquired. As of December 31, 2015, all of the 1,350,000 shares were available for issuance.

Stockholder Rights Plan

On February 5, 2005, the Board adopted a Rights Agreement between the Company and a rights agent (the "2005 Rights Agreement") and declared a dividend of one preferred share purchase right (a “Right”) for each outstanding share of common stock of the Company. The dividend was paid upon the close of business on February 28, 2005 to the stockholders of record on that date. Each Right entitles the registered holder to purchase from the Company one one-hundredth of a share of Series A Junior Participating Preferred Stock, par value $0.001 (“Preferred Shares”), of the Company, at a price of $8.50 per one one-hundredth of a Preferred Share, subject to adjustment. On January 15, 2015, the Board approved an amendment and restatement of the 2005 Rights Agreement by adopting an Amended and Restated Rights Agreement (the “Rights Agreement”) between the Company and a rights agent. The Board adopted the Rights Agreement in an effort to protect stockholder value by attempting to diminish the risk that the Company’s ability to use its net operating losses (“NOLs”) to reduce potential future federal income tax obligations may become substantially limited. If any person becomes a 4.99% or more stockholder of the Company, then each Right (subject to certain limitations) will entitle its holder to purchase, at the Right's then current exercise price, a number of shares of common stock of the Company or of the acquirer having a market value at the time of twice the Right's per share exercise price. The Company's Board of Directors may redeem the Rights for $0.001 per Right at any time prior to the time when the Rights become exercisable. The Rights will expire on the earliest of (i) January 15, 2018, (ii) the time at which the Rights are redeemed as described above, (iii) the time at which the Rights are exchanged as described in the Rights Agreement, (iv) the repeal of Section 382 of the Internal Revenue Code if the Board determines that the Rights Agreement is no longer necessary for the preservation of the Company’s NOLs, and (v) the beginning of a taxable year of the Company to which the Board determines that no NOLs may be carried forward.

HUDSON GLOBAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 19 – SEGMENT AND GEOGRAPHIC DATA

Segment Reporting

The Company operates in three reportable segments: the Hudson regional businesses of Hudson Americas, Hudson Asia Pacific, and Hudson Europe. Corporate expenses are reported separately from the three reportable segments and pertain to certain functions, such as executive management, corporate governance, marketing, human resources, accounting, administration, tax and treasury, and have been allocated to the reportable segments to the extent which the costs are attributable to the reportable segments. Segment information is presented in accordance with ASC 280, "*Segments Reporting.*" This standard is based on a management approach that requires segmentation based upon the Company's internal organization and disclosure of revenue and certain expenses based upon internal accounting methods. The Company's financial reporting systems present various data for management to run the business, including internal profit and loss statements prepared on a basis not consistent with U.S. GAAP. Accounts receivable, net and long-lived assets are the only significant assets separated by segment for internal reporting purposes.

	Hudson Americas	Hudson Asia Pacific	Hudson Europe	Corporate	Inter-segment elimination	Total
For the Year Ended December 31, 2015						
Revenue, from external customers	$ 28,627	$ 219,391	$ 215,179	$ —	$ —	$ 463,197
Inter-segment revenue	41	—	498	—	(539)	—
Total revenue	$ 28,668	$ 219,391	$ 215,677	$ —	$ (539)	$ 463,197
Gross margin, from external customers	$ 16,111	$ 89,682	$ 81,917	$ —	$ —	$ 187,710
Inter-segment gross margin	25	(477)	451	—	1	—
Total gross margin	$ 16,136	$ 89,205	$ 82,368	$ —	$ 1	$ 187,710
Gain (loss) on sale and exit of businesses	$ 15,918	$ —	$ 3,919	$ —	$ —	$ 19,837
Business reorganization expenses (recovery)	$ 1,108	$ 669	$ 2,883	$ 1,168	$ —	$ 5,828
Impairment of long-lived assets	$ —	$ —	$ —	$ —	$ —	$ —
EBITDA (loss) (a)	$ 13,354	$ 2,851	$ (207)	$ (9,178)	$ —	$ 6,820
Depreciation and amortization	604	1,951	802	488	—	3,845
Intercompany interest income (expense), net	—	—	(526)	526	—	—
Interest income (expense), net	(342)	(276)	(94)	(10)	—	(722)
Income (loss) from continuing operations before income taxes	$ 12,408	$ 624	$ (1,629)	$ (9,150)	$ —	$ 2,253
Provision for (benefit from) income taxes	$ 58	$ 776	$ (176)	$ (12)	$ —	$ 646
As of December 31, 2015						
Accounts receivable, net	$ 3,155	$ 29,824	$ 29,441	$ —	$ —	$ 62,420
Long-lived assets, net of accumulated depreciation and amortization	$ 36	$ 7,382	$ 1,859	$ 674	$ —	$ 9,951
Total assets	$ 7,766	$ 49,246	$ 53,557	$ 14,380	$ —	$ 124,949

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	Hudson Americas	Hudson Asia Pacific	Hudson Europe	Corporate	Inter-segment elimination	Total
For the Year Ended December 31, 2014						
Revenue, from external customers	$ 50,146	$ 246,873	$ 284,173	$ —	$ —	$ 581,192
Inter-segment revenue	60	—	198	—	(258)	—
Total revenue	$ 50,206	$ 246,873	$ 284,371	$ —	$ (258)	$ 581,192
Gross margin, from external customers	$ 20,757	$ 93,014	$ 109,074	$ —	$ —	$ 222,845
Inter-segment gross margin	35	(143)	108	—	—	—
Total gross margin	$ 20,792	$ 92,871	$ 109,182	$ —	$ —	$ 222,845
Gain (loss) on sale and exit of businesses	$ —	$ —	$ —	$ —	$ —	$ —
Business reorganization expenses (recovery)	$ 94	$ 1,322	$ 1,407	$ 966	$ —	$ 3,789
Impairment of long-lived assets	$ —	$ 314	$ 348	$ —	$ —	$ 662
EBITDA (loss) (a)	$ 117	$ (890)	$ (1,187)	$ (9,765)	$ —	$ (11,725)
Depreciation and amortization	485	3,287	1,247	540	—	5,559
Intercompany interest income (expense), net	—	—	(439)	439	—	—
Interest income (expense), net	(90)	(199)	(37)	(335)	—	(661)
Income (loss) from continuing operations before income taxes	$ (458)	$ (4,376)	$ (2,910)	$ (10,201)	$ —	$ (17,945)
Provision for (benefit from) income taxes	(2,201)	11	35	(4)		(2,159)
As of December 31, 2014						
Accounts receivable, net	$ 6,695	$ 26,745	$ 40,639	$ —	$ —	$ 74,079
Long-lived assets, net of accumulated depreciation and amortization	$ 860	$ 8,227	$ 2,171	$ 584	$ —	$ 11,842
Total assets	$ 10,553	$ 54,141	$ 65,105	$ 9,873	$ —	$ 139,672

	Hudson Americas	Hudson Asia Pacific	Hudson Europe	Corporate	Inter-segment elimination	Total
For the Year Ended December 31, 2013						
Revenue, from external customers	$ 51,857	$ 232,748	$ 277,967	$ —	$ —	$ 562,572
Inter-segment revenue	(2)	—	107	—	(105)	—
Total revenue	$ 51,855	$ 232,748	$ 278,074	$ —	$ (105)	$ 562,572
Gross margin, from external customers	$ 18,692	$ 87,162	$ 103,575	$ —	$ —	$ 209,429
Inter-segment gross margin	(4)	(71)	87	—	(12)	—
Total gross margin	$ 18,688	$ 87,091	$ 103,662	$ —	$ (12)	$ 209,429
Gain (loss) on sale and exit of businesses	$ —	$ —	$ —	$ —	$ —	$ —
Business reorganization expenses (recovery)	$ 448	$ 989	$ 3,214	$ 789	$ —	$ 5,440
Impairment of long-lived assets	$ —	$ 257	$ 1,079	$ —	$ —	$ 1,336
EBITDA (loss) (a)	$ (717)	$ (3,227)	$ (9,197)	$ (7,330)	$ —	$ (20,471)
Depreciation and amortization	494	3,192	1,592	644	—	5,922
Intercompany interest income (expense), net	—	(1,254)	(532)	1,784	2	—
Interest income (expense), net	16	(183)	27	(414)	—	(554)
Income (loss) from continuing operations before income taxes	$ (1,195)	$ (7,856)	$ (11,294)	$ (6,604)	$ 2	$ (26,947)
Provision for (benefit from) income taxes	$ 61	$ 3,489	$ (415)	$ 129	$ —	$ 3,264
As of December 31, 2013						
Accounts receivable, net	$ 5,923	$ 24,647	$ 45,897	$ —	$ —	$ 76,467
Long-lived assets, net of accumulated depreciation and amortization	$ 604	$ 9,179	$ 3,494	$ 763	$ —	$ 14,040
Total assets	$ 18,338	$ 55,234	$ 74,877	$ 10,380	$ —	$ 158,829

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(a) SEC Regulation S-K 229.10(e)1(ii)(A) defines EBITDA as earnings before interest, taxes, depreciation and amortization. EBITDA is presented to provide additional information to investors about the Company's operations on a basis consistent with the measures that the Company uses to manage its operations and evaluate its performance. Management also uses this measurement to evaluate working capital requirements. EBITDA should not be considered in isolation or as a substitute for operating income and net income prepared in accordance with U.S. GAAP or as a measure of the Company's profitability.

Geographic Data Reporting

A summary of revenues for the years ended December 31, 2015, 2014 and 2013 and long-lived assets and net assets by geographic area as of December 31, 2015, 2014 and 2013 were as follows:

Information by geographic region	United Kingdom	Australia	United States	Continental Europe	Other Asia Pacific	Other Americas	Total
For the Year Ended December 31, 2015							
Revenue (a)	$ 154,931	$ 159,539	$ 27,965	$ 60,248	$ 59,852	$ 662	$ 463,197
For the Year Ended December 31, 2014							
Revenue (a)	$ 181,155	$ 184,853	$ 49,375	$ 103,018	$ 62,020	$ 771	$ 581,192
For the Year Ended December 31, 2013							
Revenue (a)	$ 180,084	$ 169,998	$ 50,859	$ 97,883	$ 62,750	$ 998	$ 562,572
As of December 31, 2015							
Long-lived assets, net (b)	$ 1,707	$ 4,115	$ 718	$ 144	$ 3,267	$ —	$ 9,951
Net assets	$ 17,371	$ 9,920	$ 13,467	$ 7,176	$ 13,261	$ (15)	$ 61,180
As of December 31, 2014							
Long-lived assets, net (b)	$ 1,834	$ 5,404	$ 1,429	$ 330	$ 2,822	$ 23	$ 11,842
Net assets	$ 18,894	$ 13,913	$ 7,255	$ 9,366	$ 9,772	$ 57	$ 59,257
As of December 31, 2013							
Long-lived assets, net (b)	$ 2,891	$ 5,838	$ 1,337	$ 594	$ 3,341	$ 39	$ 14,040
Net assets	$ 21,479	$ 18,938	$ 15,819	$ 7,169	$ 10,791	$ 189	$ 74,385

(a) Revenue by geographic region disclosed above is net of any inter-segment revenue and, therefore, represents only revenue from external customers according to the location of the operating subsidiary.

(b) Comprised of property and equipment and goodwill, net of accumulated depreciation and amortization. Corporate assets are included in the United States.

HUDSON GLOBAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 20 – SELECTED QUARTERLY FINANCIAL DATA (unaudited)

	For The Year Ended December 31, 2015			
	First quarter	Second quarter	Third quarter	Fourth quarter
Revenue	$ 124,317	$ 122,743	$ 110,028	$ 106,109
Gross margin	$ 47,904	$ 50,222	$ 45,145	$ 44,439
Operating income (loss)	$ (6,716)	$ 13,643	$ (3,826)	$ 140
Income (loss) from continuing operations	$ (6,654)	$ 12,774	$ (2,029)	$ (2,484)
Income (loss) from discontinued operations	$ (184)	$ 1,103	$ (55)	$ (142)
Net income (loss)	$ (6,838)	$ 13,877	$ (2,084)	$ (2,626)
Basic and diluted earnings (loss) per share from continuing operations	$ (0.20)	$ 0.38	$ (0.06)	$ (0.07)
Basic and diluted earnings (loss) per share from discontinued operations	$ (0.01)	$ 0.03	$ —	$ —
Basic and diluted earnings (loss) per share	$ (0.21)	$ 0.41	$ (0.06)	$ (0.08)
Basic weighted average shares outstanding (in thousands)	33,053	33,525	34,687	34,274
Diluted weighted average shares outstanding (in thousands)	33,053	34,007	34,687	34,274
Common stock equivalents and outstanding stock options excluded from the calculation of diluted earnings (loss) per share (in thousands)	1,903	979	1,124	886

	For The Year Ended December 31, 2014			
	First quarter	Second quarter	Third quarter	Fourth quarter
Revenue	$ 144,167	$ 151,070	$ 149,278	$ 136,677
Gross margin	$ 54,029	$ 59,871	$ 55,687	$ 53,258
Operating income (loss)	$ (3,374)	$ (2,865)	$ (5,113)	$ (6,134)
Income (loss) from continuing operations	$ (4,112)	$ (3,565)	$ (4,570)	$ (3,539)
Income (loss) from discontinued operations	$ (432)	$ (809)	$ (2,449)	$ 6,282
Net income (loss)	$ (4,544)	$ (4,374)	$ (7,019)	$ 2,743
Basic and diluted earnings (loss) per share from continuing operations	$ (0.13)	$ (0.11)	$ (0.14)	$ (0.11)
Basic and diluted earnings (loss) per share from discontinued operations	$ (0.01)	$ (0.02)	$ (0.07)	$ 0.19
Basic and diluted earnings (loss) per share	$ (0.14)	$ (0.13)	$ (0.21)	$ 0.08
Basic and diluted weighted average shares outstanding (in thousands)	32,641	32,752	32,910	32,995
Common stock equivalents and outstanding stock options excluded from the calculation of diluted earnings (loss) per share (in thousands)	1,274	1,207	1,176	1,681

Earnings (loss) per share calculations for each quarter include the weighted average effect for the quarter; therefore, the sum of quarterly earnings (loss) per share amounts may not equal year-to-date earnings (loss) per share amounts, which reflect the weighted average effect on a year-to-date basis.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and its Chief Financial Officer, has conducted an evaluation of the design and operation of the Company's disclosure controls and procedures, as such term is defined under Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of December 31, 2015.

Management's Annual Report on Internal Control Over Financial Reporting

The report of management required under this Item 9A is contained in Item 8 of this Annual Report on Form 10-K under the caption "Management's Annual Report on Internal Control Over Financial Reporting."

Report of Independent Registered Public Accounting Firm

The audit report required under this Item 9A is contained in Item 8 of this Annual Report on Form 10-K under the caption "Report of Independent Registered Public Accounting Firm."

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the three months ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information included under the captions “Proposal 1: Election of Directors,” “Board of Directors and Corporate Governance” and “Section 16(a) Beneficial Ownership Reporting Compliance” in the Company's definitive proxy statement, which is expected to be filed pursuant to Regulation 14A within 120 days following the end of the fiscal year covered by this report (the “Proxy Statement”), is hereby incorporated by reference. The information required by Item 10 with respect to our Executive Officers is included in Part I of this Annual Report on Form 10-K.

We have adopted a Code of Business Conduct and Ethics that applies to all of our employees and a Code of Ethics for the Chief Executive Officer and the Senior Financial and Accounting Officers. We have posted a copy of the Code of Business Conduct and Ethics and the Code of Ethics on our website at *www.hudson.com*. The Code of Business Conduct and Ethics and the Code of Ethics are also available in print to any stockholder who requests them in writing from the Corporate Secretary at 1325 Avenue of the Americas, 12th Floor, New York, New York 10019. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding amendments to, or waivers from, our Code of Ethics by posting such information on our website at *www.hudson.com*. We are not including the information contained on our website as part of, or incorporating it by reference into, this report.

ITEM 11. EXECUTIVE COMPENSATION

The information required in Item 11 is incorporated by reference to the information in the Proxy Statement under the captions “Director Compensation,” “Compensation Discussion and Analysis,” “Compensation Committee Report,” “Executive Compensation” and “Compensation Policies and Practices and Risk.”

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required in Item 12 is incorporated by reference to the information in the Proxy Statement under the caption “Principal Stockholders.”

Equity Compensation Plan Information

The following table presents information on the Company's equity compensation plans as of December 31, 2015.

	Number of shares to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Number of shares remaining available for future issuance under equity compensation plans (excluding shares reflected in Column A)	
	A	B	C	
Equity Compensation Plans approved by stockholders:				
Long Term Incentive Plan	156,000	$ 9.94	—	(1)
2009 Incentive Stock and Awards Plan	50,000	2.49	792,326	(1)
Employee Stock Purchase Plan	—	—	116,329	(2)
Total	206,000	$ 8.13	908,655	

(1) Excludes 680,000 shares of unvested restricted common stock previously issued under the Hudson Global, Inc. Long Term Incentive Plan and 2009 Incentive Stock and Awards Plan.

(2) The Company suspended the Hudson Global, Inc. Employee Stock Purchase Plan effective January 1, 2009.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required in Item 13 is incorporated by reference to the information in the Proxy Statement under the captions “Board of Directors and Corporate Governance-Independent Directors” and “Board of Directors and Corporate Governance-Policies and Procedures Regarding Related Person Transactions.”

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required in Item 14 is incorporated by reference to the information in the Proxy Statement under the caption “Ratification of the Appointment of KPMG LLP as Independent Registered Public Accounting Firm.”

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES

1. Financial statements - The following financial statements and the reports of independent registered public accounting firm are contained in Item 8.

	Page
Reports of Independent Registered Public Accounting Firm	49
Consolidated Statements of Operations For The Years Ended December 31, 2015, 2014 and 2013	51
Consolidated Statements of Comprehensive Income (Loss) For The Years Ended December 31, 2015, 2014 and 2013	52
Consolidated Balance Sheets As Of December 31, 2015 and 2014	53
Consolidated Statements of Cash Flows For The Years Ended December 31, 2015, 2014 and 2013	54
Consolidated Statement of Stockholders' Equity For The Years Ended December 31, 2015, 2014 and 2013	55
Notes to Consolidated Financial Statements	56

2. Financial statement schedules

Schedule I - Condensed financial information of the registrant
Schedule II - Valuation and qualifying accounts and reserves

All other schedules are omitted since the required information is not present, or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and the notes thereto.

3. Exhibits - The exhibits listed in the accompanying index to exhibits are filed as part of this Annual Report on Form 10-K.

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF THE REGISTRANT

HUDSON GLOBAL, INC.
CONDENSED STATEMENTS OF OPERATIONS (PARENT COMPANY ONLY)
(in thousands)

	Year Ended December 31,		
	2015	2014	2013
Operating expenses:			
Selling, general and administrative expenses	$ 13,327	$ 16,948	$ 15,953
Depreciation and amortization	488	541	645
Business reorganization expenses	1,168	967	790
Operating loss	(14,983)	(18,456)	(17,388)
Other income (expense):			
Interest, net	516	103	105
Corporate costs allocation and other, net	5,318	8,150	9,412
Income (loss) from parent before provision for income taxes	(9,149)	(10,203)	(7,871)
Provision for (benefit from) income taxes for parent company	(12)	(4)	2
Equity in earnings (losses) of subsidiaries, net of income taxes	11,466	(2,995)	(22,522)
Net income (loss)	$ 2,329	$ (13,194)	$ (30,395)

See notes to condensed financial statements.

HUDSON GLOBAL, INC.
CONDENSED BALANCE SHEETS (PARENT COMPANY ONLY)
(in thousands)

	December 31,	
	2015	**2014**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 13,025	$ 7,006
Prepaid and other	196	1,366
Total current assets	13,221	8,372
Property and equipment, net	674	584
Investment in and advances to/from subsidiaries	50,770	54,785
Other assets	485	917
Total assets	$ 65,150	$ 64,658
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable, accrued expenses and other current liabilities	$ 3,494	$ 4,937
Total current liabilities	3,494	4,937
Other non-current liabilities	476	464
Total liabilities	3,970	5,401
Stockholders' equity	61,180	59,257
Total liabilities and stockholders' equity	$ 65,150	$ 64,658

See notes to condensed financial statements.

HUDSON GLOBAL, INC.

CONDENSED STATEMENTS OF CASH FLOWS (PARENT COMPANY ONLY)

(in thousands)

	For the Years Ended December 31,		
	2015	**2014**	**2013**
Cash flows from operating activities:			
Net income (loss)	$ 2,329	$ (13,194)	$ (30,395)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Dividends received from subsidiaries	7,468	—	2,341
Non-cash (income) losses from subsidiaries, net of taxes	(11,466)	2,995	22,522
Depreciation and amortization	488	541	645
Stock-based compensation	637	405	953
Other, net	—	248	368
Changes in operating assets and liabilities:			
(Increase) decrease in prepaid and other assets	1,921	(744)	144
(Increase) decrease in due from subsidiaries	14,503	11,910	10,409
Increase (decrease) in accounts payable, accrued expenses and other liabilities	(1,269)	837	(1,597)
Increase (decrease) in accrued business reorganization expenses	(120)	793	134
Net cash provided by (used in) operating activities	14,491	3,791	5,524
Cash flows from investing activities:			
Capital expenditures	(897)	—	(368)
Advances to and investments in subsidiaries, net	(5,945)	(4,126)	(6,673)
Net cash provided by (used in) investing activities	(6,842)	(4,126)	(7,041)
Cash flows from financing activities:			
Borrowings under credit facility	—	22,081	514
Repayments under credit facility	—	(22,081)	(514)
Purchase of treasury stock	(1,386)	—	—
Purchase of restricted stock from employees	(244)	(129)	(488)
Net cash provided by (used in) financing activities	(1,630)	(129)	(488)
Net increase (decrease) in cash and cash equivalents	6,019	(464)	(2,005)
Cash and cash equivalents, beginning of the period	7,006	7,470	9,475
Cash and cash equivalents, end of the period	$ 13,025	$ 7,006	$ 7,470

See notes to condensed financial statements.

NOTE 1 - BASIS OF PRESENTATION

Hudson Global, Inc. (the "Parent Company") is a holding company that conducts substantially all of its business through its subsidiaries. As specified in certain of its subsidiaries' credit agreements in the U.K., Australia and New Zealand, there are restrictions on the Parent Company's ability to obtain funds from certain of its subsidiaries through dividends, intercompany expenses or interest (refer to Note 15, "Credit Agreements", to the Company's Consolidated Financial Statements). As of December 31, 2015, the Company was in a stockholders' equity position of $61,180, and approximately $24,226 constituted restricted net assets as defined in Rule 4-08(e)(3) of Regulation S-X. The restricted net assets of the Company's subsidiaries exceeded 25% of the consolidated net assets of the Company and its subsidiaries, thus requiring this Schedule I, "Condensed Financial Information of the Registrant." Accordingly, the results of operations and cash flows for the years ended December 31, 2015, 2014 and 2013, and the balance sheets as of December 31, 2015 and 2014 have been presented on a "Parent-only" basis. In these statements, the Company's investments in its consolidated subsidiaries are presented under the equity method of accounting. The Parent-only financial statements should be read in conjunction with the Company's audited Consolidated Financial Statements included elsewhere herein.

NOTE 2 - DIVIDENDS RECEIVED

The Company received dividends of $7,468, $0 and $2,341 in 2015, 2014 and 2013, respectively, from its consolidated subsidiaries.

NOTE 3 - CREDIT AGREEMENTS

Several of the Company's subsidiaries have credit agreements with lenders. Borrowings under the credit agreements are based on an agreed percentage of eligible accounts receivable. Refer to Note 15, "Credit Agreements" to the Company's Consolidated Financial Statements for further details.

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
(IN THOUSANDS)

Column A	Column B	Column C	Column D	Column E
Descriptions	Balance at Beginning of Period	Additions Charged to Costs/Expenses (Recoveries)	Deductions Other	Balance at End of Period
2013				
Allowance for Doubtful Accounts	$ 1,174	(13)	53	$ 1,108
Deferred tax assets-valuation allowance	$ 154,329	8,225	276	$ 162,278
2014				
Allowance for Doubtful Accounts	$ 1,108	97	219	$ 986
Deferred tax assets-valuation allowance	$ 162,278	243	3,670	$ 158,851
2015				
Allowance for Doubtful Accounts	$ 986	178	304	$ 860
Deferred tax assets-valuation allowance	$ 158,851	3,488	3,041	$ 159,298

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

HUDSON GLOBAL, INC.
(Registrant)

By: /s/ STEPHEN A. NOLAN
Stephen A. Nolan
Chief Executive Officer
(Principal Executive Officer)
Date: March 3, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ STEPHEN A. NOLAN **Stephen A. Nolan**	Chief Executive Officer and Director (Principal Executive Officer)	March 3, 2016
/s/ PATRICK LYONS **Patrick Lyons**	Chief Financial Officer and Chief Accounting Officer (Principal Financial Officer and Principal Accounting Officer)	March 3, 2016
/s/ JEFFREY E. EBERWEIN **Jeffrey E. Eberwein**	Chairman	March 3, 2016
/s/ ALAN L. BAZAAR **Alan L. Bazaar**	Director	March 3, 2016
/s/ RICHARD K. COLEMAN, JR. **Richard K. Coleman, Jr.**	Director	March 3, 2016
/s/ IAN V. NASH **Ian V. Nash**	Director	March 3, 2016

HUDSON GLOBAL, INC.
FORM 10-K
EXHIBIT INDEX

Exhibit Number	Exhibit Description
(2.1)	Purchase and Sale Agreement, dated as of November 7, 2014, by and among Document Technologies, LLC, DTI of London Limited, Hudson Global, Inc., Hudson Global Resources Management, Inc. and Hudson Global Resources Limited (incorporated by reference to Exhibit 2.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated November 13, 2014 (File No. 0-50129)).
(2.2)	Asset Purchase Agreement, dated as of May 8, 2015, by and among Hudson Global, Inc., Hudson Global Resources Management, Inc. and Mastech, Inc. (incorporated by reference to Exhibit 2.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated May 8, 2015 (File No. 0-50129)).
(3.1)	Amended and Restated Certificate of Incorporation of Hudson Global, Inc. (incorporated by reference to Exhibit 3.2 to Hudson Global, Inc.'s Current Report on Form 8-K dated June 15, 2015 (File No. 0-50129)).
(3.2)	Certificate of Designations of the Board of Directors Establishing the Series and Fixing the Relative Rights and Preferences of Series A Junior Participating Preferred Stock (incorporated by reference to Exhibit 3.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated February 2, 2005 (File No. 0-50129)).
(3.3)	Amended and Restated By-laws of Hudson Global, Inc. (incorporated by reference to Exhibit 3.4 to Hudson Global, Inc.'s Current Report on Form 8-K dated June 15, 2015 (File No. 0-50129)).
(4.1)	Amended and Restated Rights Agreement, dated as of January 15, 2015, between Hudson Global, Inc. and Computershare Inc., successor rights agent to The Bank of New York (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form 8-A/A of Hudson Global, Inc. dated January 27, 2015 (File No. 0-50129)).
(4.2)	Receivables Finance Agreement, dated August 1, 2014, between Lloyds Bank Commercial Finance and Hudson Global Resources Limited (incorporated by reference to Exhibit 4.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated August 1, 2014 (File No. 0-50129)).
(4.3)	Finance Agreement, dated as of October 27, 2015, among Hudson Global Resources (Aust) Pty Limited, Hudson Global Resources (NZ) Limited, and National Australia Bank Limited (incorporated by reference to Exhibit 4.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated October 30, 2015 (File No. 0-50129)).
(4.4)	NAB Corporate Receivables Facility Agreement, dated as of October 27, 2015, among Hudson Global Resources (Aust) Pty Limited, Hudson Global Resources (NZ) Limited, and National Australia Bank Limited (incorporated by reference to Exhibit 4.2 to Hudson Global, Inc.'s Current Report on Form 8-K dated October 30, 2015 (File No. 0-50129)).
(4.5)	BNZ Corporate Receivables Facility Agreement, dated as of October 27, 2015, among Hudson Global Resources (NZ) Limited, Hudson Global Resources (Aust) Pty Limited, and Bank of New Zealand (incorporated by reference to Exhibit 4.3 to Hudson Global, Inc.'s Current Report on Form 8-K dated October 30, 2015 (File No. 0-50129)).
(10.1)*	Hudson Global, Inc. Long Term Incentive Plan, as amended through October 29, 2007 (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2007 (File No. 0-50129)).
(10.2)*	Form of Hudson Global, Inc. Long Term Incentive Plan Stock Option Agreement (Employees) (incorporated by reference to Exhibit 10.4 to Hudson Global, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 (File No. 0-50129)).
(10.3)*	Form of Hudson Global, Inc. Long Term Incentive Plan Stock Option Agreement (Directors) (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc. Current Report on Form 8-K dated May 11, 2006 (File No. 0-50129)).
(10.4)*	Hudson Global, Inc. 2009 Incentive Stock and Awards Plan, as Amended and Restated (incorporated by reference to Exhibit A to the Company's definitive proxy statement filed with the Securities Exchange Commission on Schedule 14A on March 16, 2012 (File No. 0-50129)).
(10.5)*	Form of Hudson Global, Inc. 2009 Incentive Stock and Awards Plan Stock Option Agreement (New Non-Employee Directors) (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated October 2, 2015 (File No. 0-50129)).
(10.6)*	Form of Hudson Global, Inc. 2009 Incentive Stock and Awards Plan Restricted Stock Award Agreement for EBITDA and gross margin growth performance vesting awards made prior to April 26, 2012 (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated February 11, 2010 (File No. 0-50129)).

HUDSON GLOBAL, INC.
FORM 10-K
EXHIBIT INDEX

(10.7)*	Form of Hudson Global, Inc. 2009 Incentive Stock and Awards Plan Restricted Stock Award Agreement for EBITDA and gross margin growth performance vesting awards made on or after April 26, 2012 (incorporated by reference to Exhibit 4.5 to Hudson Global, Inc.'s Registration Statement on Form S-8 dated August 1, 2012 (Reg. No. 333-182973)).
(10.8)*	Form of Hudson Global, Inc. 2009 Incentive Stock and Awards Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.6 to Hudson Global, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 (File No. 0-50129)).
(10.9)*	Form of Hudson Global, Inc. 2009 Incentive Stock and Awards Plan Restricted Stock Award Agreement for aggregated regional EBITDA and corporate costs vesting awards (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated January 22, 2015 (File No. 0-50129)).
(10.10)*	Form of Hudson Global, Inc. 2009 Incentive Stock and Awards Plan Restricted Stock Award Agreement (Executive Officers and Global Leadership Team) for awards made on or after November 6, 2015.
(10.11)*	CEO Employment Agreement, dated as of March 7, 2011, between Hudson Global, Inc. and Manuel Marquez Dorsch (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated March 7, 2011 (File No. 0-50129)).
(10.12)*	Amendment to Employment Agreement, dated as of March 23, 2011, between Hudson Global, Inc. and Manuel Marquez Dorsch (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2011 (File No. 0-50129)).
(10.13)*	Summary of Hudson Global, Inc. Compensation for Non-employee Members of the Board of Directors.
(10.14)*	Hudson Global, Inc. Amended and Restated Director Deferred Share Plan (incorporated by reference to Exhibit 10.4 to Hudson Global, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 0-50129)).
(10.15)*	Executive Employment Agreement, dated as of May 18, 2015, between Hudson Global, Inc. and Stephen A. Nolan (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated May 18, 2015 (File No. 0-50129)).
(10.16)*	Restricted Stock Award Agreement, dated as of May 18, 2015, between Hudson Global, Inc. and Stephen A. Nolan (incorporated by reference to Exhibit 10.2 to Hudson Global, Inc.'s Current Report on Form 8-K dated May 18, 2015 (File No. 0-50129)).
(10.17)*	Promotion Letter Agreement, dated as of August 7, 2015, between Hudson Global, Inc. and Patrick Lyons (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated August 7, 2015 (File No. 0-50129)).
(10.18)	Promotion Letter Agreement, dated as of August 6, 2015, between Hudson Global, Inc. and David F. Kirby.
(10.19)*	Executive Agreement, dated as of October 2, 2015, between Hudson Global, Inc. and Neil J. Funk (incorporated by reference to Exhibit 10.1 to Hudson Global, Inc.'s Current Report on Form 8-K dated October 1, 2015 (File No. 0-50129)).
(21)	Subsidiaries of Hudson Global, Inc.
(23)	Consent of KPMG LLP.
(31.1)	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
(31.2)	Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
(32.1)	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350.
(32.2)	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350.
(99.1)	Proxy Statement for the 2016 Annual Meeting of Stockholders [To be filed with the Securities and Exchange Commission under Regulation 14A within 120 days after December 31, 2015; except to the extent specifically incorporated by reference, the Proxy Statement for the 2015 Annual Meeting of Stockholders shall not be deemed to be filed with the Securities and Exchange Commission as part of this Annual Report on Form 10-K.]
(101)	The following materials from Hudson Global, Inc.’s Annual Report on Form 10-K for the year ended December 31, 2015 are filed herewith, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Operations for the years ended December 31, 2015, 2014 and 2013, (ii) the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2015, 2014 and 2013, (iii) the Consolidated Balance Sheets as of December 31, 2015 and 2014, (iv) the Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2014 and 2013, (v) the Consolidated Statement of Stockholders’ Equity for the years ended December 31, 2015, 2014 and 2013, and (vi) Notes to Consolidated Financial Statements.
*	A management contract or compensatory plan or arrangement

HUDSON GLOBAL, INC.
RESTRICTED STOCK AWARD AGREEMENT

RESTRICTED STOCK AWARD AGREEMENT (the "Agreement") made as of the [**DAY**] of [**MONTH**], [**YEAR**] and effective as of the seventh calendar day following the date of the [**QUARTER**] [**YEAR**] earnings release of the Company (the "Grant Date"), by and between **HUDSON GLOBAL, INC.**, a Delaware corporation (the "Company") and [**NAME**] (the "Grantee").

W I T N E S S E T H:

WHEREAS, pursuant to the Hudson Global, Inc. 2009 Incentive Stock and Awards Plan (the "Plan"), the Company desires to grant to the Grantee and the Grantee desires to accept an award of shares of common stock, $.001 par value, of the Company (the "Common Stock") upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Award. Subject to the terms and conditions set forth herein, the Company hereby awards the Grantee on the Grant Date [**NUMBER OF SHARES**] shares of Common Stock (the "Restricted Stock").

2. Restrictions; Vesting. Except as otherwise provided herein, the Restricted Stock may not be sold, transferred, pledged, encumbered, assigned or otherwise alienated or hypothecated, if at all, until such shares of Restricted Stock have vested upon satisfaction of the service vesting conditions set forth below.

[**VESTING CONDITIONS**]

The Grantee shall forfeit the shares of Restricted Stock that do not vest pursuant to the preceding provisions. As used in this Agreement, the term "Affiliate" means an affiliate of the Company within the meaning of Rule 405 under the Securities Act of 1933, as amended.

3. Evidence of Restricted Stock. The shares of Restricted Stock awarded under this Agreement initially will be evidenced by book entries on the Company's stock transfer records. If and when the shares of Restricted Stock vest pursuant to Section 2, 5 or 8 and the restrictions imposed by Section 2 terminate, the Company will deliver to the Grantee one or more stock certificates for the appropriate number of shares, free of any restrictions imposed under this Agreement.

4. Tax Withholding. Notwithstanding anything herein to the contrary, certificates for shares of Restricted Stock that have vested shall not be delivered to the Grantee unless and until the Grantee has delivered to the Executive Vice President, Human Resources of the Company (or such other executive officer of the Company performing a similar function), at its corporate headquarters in New York, New York, cash payment, if any, deemed necessary by the Company to enable it to satisfy any federal, foreign or other tax withholding obligations with respect

to the shares of Restricted Stock that have vested (the "Tax Amount") (unless other arrangements acceptable to the Company in its sole discretion have been made). Notwithstanding anything herein to the contrary, in the event that a Grantee has not satisfied the conditions outlined in the immediately preceding sentence within twenty (20) days after the shares of Restricted Stock have vested, the Company may (but shall not be required to), in its sole discretion, at any time by notice to the Grantee, choose to satisfy the conditions outlined in the immediately preceding sentence by unilaterally revoking the Grantee's right to receive that number of shares of Restricted Stock that have vested with an aggregate value equal to 150% of the Tax Amount. For purposes of the preceding sentence, each share of Restricted Stock shall be deemed to have a value equal to the average closing price of a share of the Common Stock on the Nasdaq Global Market (or such other U.S. exchange or market on which the Common Stock is then primarily traded) on the five (5) trading days up to and including the date of vesting. The Company may from time to time change (or provide alternatives to) the method of tax withholding on the Restricted Stock granted hereunder by notice to the Grantee, it being understood that from and after such notice the Grantee will be bound by the method (or alternatives) specified in any such notice. The Company (in its sole and absolute discretion) may permit all or part of the Tax Amount to be paid with shares of Common Stock owned by the Grantee, or in installments (together with interest) evidenced by the Grantee's secured promissory note.

5. Termination of Employment. If the Grantee's employment or service with the Company or its Affiliates is terminated for any reason other than death, including but not limited to by reason of disability, then the shares of Restricted Stock that have not yet become fully vested in accordance with Section 2 will automatically be forfeited by the Grantee (or the Grantee's successors) and any book entry with respect thereto will be canceled. If the Grantee's employment terminates by reason of the Grantee's death, then the shares of Restricted Stock that have not yet become fully vested as a result of a service vesting condition contained in Section 2 not being satisfied will automatically become fully vested and the restrictions imposed upon the Restricted Stock by Section 2 will be immediately deemed to have lapsed.

6. Voting Rights; Dividends and Other Distributions.

(a) While the Restricted Stock is subject to restrictions under Section 2 and prior to any forfeiture thereof, the Grantee may exercise full voting rights for the Restricted Stock registered in his name.

(b) While the Restricted Stock is subject to the restrictions under Section 2 and prior to any forfeiture thereof, the Grantee shall be entitled to receive all dividends and other distributions paid with respect to the Restricted Stock. If any such dividends or distributions are paid in shares of Common Stock, then such shares shall be subject to the same restrictions as the shares of Restricted Stock with respect to which they were paid.

(c) Subject to the provisions of this Agreement, the Grantee shall have, with respect to the Restricted Stock, all other rights of holders of Common Stock.

7. Securities Law Restrictions. Notwithstanding anything herein to the contrary, shares of Restricted Stock shall not be issued hereunder if, in the opinion of counsel to

the Company, such exercise and/or issuance may result in a violation of federal or state securities laws or the securities laws of any other relevant jurisdiction.

8. Change in Control. If, within twelve (12) months following the date of a Change in Control (as defined in the Plan), the Grantee's employment or service with the Company or its Affiliates is terminated without Cause (as defined below) by the Company or is terminated for Good Reason (as defined below) by the Grantee, then the shares of Restricted Stock will fully vest and the restrictions imposed upon the Restricted Stock by Section 2 will be immediately deemed to have lapsed.

(a) *Definition of Cause*. For purposes of this Agreement, Cause shall be defined as:

i. the willful or negligent failure of the Grantee to perform the Grantee's duties and obligations in any material respect (other than any failure resulting from Grantee's disability), which failure is not cured within fifteen (15) days after receipt of written notice thereof, provided that there shall be no obligation to provide any additional written notice if the Grantee's failure to perform is repeated and the Grantee has previously received one (1) or more written notices;

ii. acts of dishonesty or willful misconduct by the Grantee with respect to the Company;

iii. conviction of a felony or violation of any law involving moral turpitude, dishonesty, disloyalty or fraud, or a pleading of guilty or *nolo contendere* to such charge;

iv. repeated refusal to perform the reasonable and legal instructions of the Grantee's supervisors;

v. any material breach of this Agreement; or

vi. failure to confirm compliance with the Company's Code of Conduct after 10 days' written notice requesting confirmation.

(b) *Definition of Good Reason*. The Grantee shall have "Good Reason" for termination of employment in connection with a Change in Control of the Company in the event of:

(i) any breach of this Agreement by the Company, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith that the Company remedies promptly after receipt of notice thereof given by the Grantee;

(ii) any reduction in the Grantee's base salary, percentage of base salary available as incentive compensation or bonus opportunity or benefits, in each case relative to those most favorable to the Grantee in effect at any time during the 180-day period prior to the Change in Control;

(iii) the removal of the Grantee from, or any failure to reelect or reappoint the Grantee to, any of the positions held with the Company on the date of the Change in Control or any other positions with the Company to which the Grantee shall thereafter be elected, appointed or assigned, except in the event that such removal or failure to reelect or reappoint relates to the termination by the Company of the Grantee's employment for Cause or by reason of disability pursuant to the Grantee's Employment Agreement;

(iv) a good faith determination by the Grantee that there has been a material adverse change, without the Grantee's written consent, in the Grantee's working conditions or status with the Company relative to the most favorable working conditions or status in effect during the 180-day period prior to the Change in Control, including but not limited to (A) a significant change in the nature or scope of the Grantee's authority, powers, functions, duties or responsibilities, or (B) a significant reduction in the level of support services, staff, secretarial and other assistance, office space and accoutrements, but in each case excluding for this purpose an isolated, insubstantial and inadvertent event not occurring in bad faith that the Company remedies within ten (10) days after receipt of notice thereof given by the Grantee;

(v) the relocation of the Grantee's principal place of employment to a location more than 50 miles from the Grantee's principal place of employment on the date 180 days prior to the Change in Control; or

(vi) the Company requires the Grantee to travel on Company business 20% in excess of the average number of days per month the Grantee was required to travel during the 180-day period prior to the Change in Control.

9. No Employment Rights. Nothing in this Agreement shall give the Grantee any right to continue in the employment of the Company or any Affiliate, or interfere in any way with the right of the Company or any Affiliate to terminate the employment of the Grantee.

10. Plan Provisions. The provisions of the Plan shall govern if and to the extent that there are inconsistencies between those provisions and the provisions hereof. The Grantee acknowledges receipt of a copy of the Plan prior to the execution of this Agreement. Capitalized terms used in this Agreement but not defined herein shall have the meaning given to them in the Plan.

11. Administration. The Committee will have full power and authority to interpret and apply the provisions of this Agreement and act on behalf of the Company and the Board in connection with this Agreement, and the decision of the Committee as to any matter arising under this Agreement shall be binding and conclusive as to all persons.

12. Binding Effect; Headings. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. The subject headings of Sections of this Agreement are included for the purpose of convenience only

and shall not affect the construction or interpretation of any of its provisions. All references in this Agreement to "$" or "dollars" are to United States dollars.

13. Employee Handbook and Arbitration Agreements. As a material inducement to the Company to grant this award of Restricted Stock and to enter into this Agreement, the Grantee hereby expressly agrees to (a) comply with and abide by the terms and conditions of, and rules relating to, such Grantee's employment with the Company or an Affiliate set forth in the applicable employee handbook and (b) be bound by the terms and provisions of any arbitration or similar agreement to which the Grantee is or becomes a party with the Company or an Affiliate.

14. Confidentiality, Non-Solicitation and Work Product Assignment. As a material inducement to the Company to grant this award of Restricted Stock and enter into this Agreement, the Grantee hereby expressly agrees to be bound by the following covenants, terms and conditions:

(a) Definition. "Confidential Information" consists of all information or data relating to the business of the Company, including but not limited to, business and financial information; new product development and technological data; personnel information and the identities of employees; the identities of clients and suppliers and prospective clients and suppliers; client lists and potential client lists; development, expansion and business strategies, plans and techniques; computer programs, devices, methods, techniques, processes and inventions; research and development activities; trade secrets as defined by applicable law and other materials (whether in written, graphic, audio, visual, electronic or other media, including computer software) developed by or on behalf of the Company which is not generally known to the public, which the Company has and will take precautions to maintain as confidential, and which derives at least a portion of its value to the Company from its confidentiality. Additionally, Confidential Information includes information of any third party doing business with the Company (actively or prospectively) that the Company or such third party identifies as being confidential. Confidential Information does not include any information that is in the public domain or otherwise publicly available (other than as a result of a wrongful act by the Grantee or an agent or other employee of the Company). For purposes of this Section 14, the term "the Company" also refers to each of its officers, directors, employees and agents, all subsidiary and affiliated entities, all benefit plans and benefit plans' sponsors and administrators, fiduciaries, affiliates, and all successors and assigns of any of them.

(b) Agreement to Maintain the Confidentiality of Confidential Information. The Grantee acknowledges that, as a result of his/her employment by the Company, he/she will have access to such Confidential Information and to additional Confidential Information which may be developed in the future. The Grantee acknowledges that all Confidential Information is the exclusive property of the Company, or in the case of Confidential Information of a third party, of such third party. The Grantee agrees to hold all Confidential Information in trust for the benefit of the owner of such Confidential Information. The Grantee further agrees that he/she will use Confidential Information for the sole purpose of performing his/her work for the Company, and that during his/her employment with the

Company, and at all times after the termination of that employment for any reason, the Grantee will not use for his/her benefit, or the benefit of others, or divulge or convey to any third party any Confidential Information obtained by the Grantee during his/her employment by the Company, unless it is pursuant to the Company's prior written permission.

(c) Return of Property. The Grantee acknowledges that he/she has not acquired and will not acquire any right, title or interest in any Confidential Information or any portion thereof. The Grantee agrees that upon termination of his/her employment for any reason, he/she will deliver to the Company immediately, but in no event later that the last day of his/her employment, all documents, data, computer programs and all other materials, and all copies thereof, that were obtained or made by the Grantee during his/her employment with the Company, which contain or relate to Confidential Information and will destroy all electronically stored versions of the foregoing.

(d) Disclosure and Assignment of Inventions and Creative Works. The Grantee agrees to promptly disclose in writing to the Company all inventions, ideas, discoveries, developments, improvements and innovations (collectively "Inventions"), whether or not patentable and all copyrightable works, including but limited to computer software designs and programs ("Creative Works") conceived, made or developed by the Grantee, whether solely or together with others, during the period the Grantee is employed by the Company. The Grantee agrees that all Inventions and all Creative Works, whether or not conceived or made during working hours, that: (1) relate directly to the business of the Company or its actual or demonstrably anticipated research or development, or (2) result from the Grantee's work for the Company, or (3) involve the use of any equipment, supplies, facilities, Confidential Information, or time of the Company, are the exclusive property of the Company. The Grantee hereby assigns and agrees to assign all right, title and interest in and to all such Inventions and Creative Works to the Company. The Grantee understands that he/she is not required to assign to the Company any Invention or Creative Work for which no equipment, supplies, facilities, Confidential Information or time of the Company was used, unless such Invention or Creative Work relates directly to the Company's business or actual or demonstrably anticipated research and development, or results from any work performed by the Grantee for the Company.

(e) Non-Solicitation of Clients. During the period of the Grantee's employment with the Company and for a period of one year from the date of termination of such employment for any reason, the Grantee agrees that he/she will not, directly or indirectly, for the Grantee's benefit or on behalf of any person, corporation, partnership or entity whatsoever, call on, solicit, perform services for, interfere with or endeavor to entice away from the Company any client to whom the Grantee provides services at any time during the 12 month period proceeding the date of termination of the Grantee's employment with the Company, or any prospective client to whom the Grantee had made a presentation at any time during the 12 month period preceding the date of termination of the Grantee's employment with the Company.

(f) Non-Solicitation of Employees. For a period of one year after the date of termination of the Grantee's employment with the Company for any reason, the Grantee agrees that he/she will not, directly or indirectly, hire, attempt to hire, solicit for employment or encourage the departure of any employee of the Company, to leave employment with the Company, or any individual who was employed by the Company as of the last day of the Grantee's employment with the Company.

(g) Enforcement. If, at the time of enforcement of this Section 14, a court holds that any of the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area deemed reasonable under such circumstances will be substituted for the stated period, scope or area as contained in this Section 14. Because money damages would be an inadequate remedy for any breach of the Grantee's obligations under this Agreement, in the event the Grantee breaches or threatens to breach this Section 14, the Company, or any successors or assigns, may, in addition to other rights and remedies existing in its favor, apply to any court of competent jurisdiction for specific performance, or injunctive or other equitable relief in order to enforce or prevent any violations of this Section 14.

(h) Miscellaneous. The Grantee acknowledges and agrees that the provisions of this Section 14 are in addition to, and not in lieu of, any confidentiality, non-solicitation, work product assignment and/or similar obligations that the Grantee may have with respect to the Company and/or its Affiliates, whether by agreement, fiduciary obligation or otherwise and that the grant and the vesting of the Restricted Stock contemplated by this Agreement are expressly made contingent on the Grantee's compliance with the provisions of this Section 14. Notwithstanding anything to the contrary in this Agreement, to the extent there is any conflict between the terms of this Agreement and the terms of any executive employment agreement (the "Employment Agreement") between the Grantee and the Company, the terms of the Employment Agreement will control. Without in any way limiting the provisions of this Section 14, the Grantee further acknowledges and agrees that the provisions of this Section 14 shall remain applicable in accordance with their terms after the Grantee's termination of employment with the Company, regardless of whether (1) the Grantee's termination or cessation of employment is voluntary or involuntary or (2) the Restricted Stock has not or will not vest.

15. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of law principles thereof. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and controls and supersedes any prior understandings, agreements or representations by or between the parties, written or oral with respect to its subject matter and may not be modified except by written instrument executed by the parties. The Grantee has not relied on any representation not set forth in this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

HUDSON GLOBAL, INC.

By:____________
Name:
Title:

____

Grantee – Signature

____

Grantee – Print Name

Exhibit 10.13

Summary of Hudson Global, Inc.
Compensation for Non-employee Members of the Board of Directors

The Company's policy of compensation for the non-employee members of the Board of Directors effective as of October 2, 2015 is as follows:

Each non-employee director is entitled to receive an annual retainer of $25,000 paid in quarterly installments, a fee of $2,000 for each Board and Board committee meeting attended in person, and a fee of $1,000 for each telephonic Board and Board committee meeting in which the director participates. The Chairmen of the Audit Committee, Compensation Committee, Nominating and Governance Committee and Strategic Planning Committee receive an additional annual retainer of $25,000, $10,000, $5,000 and $75,000, respectively, paid in quarterly installments. The annual retainer, the fees for attending in-person and telephonic Board and Board committee meetings, and the retainer for serving as a Chairman of a Board committee, except for the Strategic Planning Committee, are paid in share units that are deferred to a retirement account until the director ceases board service. The retainer for serving as the Chairman of the Strategic Planning Committee is paid in cash. Each non-employee director also is entitled to receive $65,000 paid annually in share units that are deferred to a retirement account until the director ceases board service. Upon first being elected or appointed as a director, each non-employee director is granted an option to purchase 50,000 shares of the Company's common stock under the terms of the Hudson Global, Inc. 2009 Incentive Stock and Awards Plan, as amended and restated. The exercise price of the options is the fair market value of a share of common stock on the date of grant. Options have a term of five years and become exercisable as follows: 50% immediately on the date of grant and 100% upon the first anniversary of the grant date (provided that if the Company's Board of Directors does not designate such individual as a director nominee for election as a director at the Company's first annual meeting of stockholders following the grant date, then the remainder of such option that has not yet vested will immediately vest). Additionally, directors are reimbursed for out-of-pocket expenses associated with attending meetings of the Board and Board committees.

Exhibit 10.18

August 6, 2015

Delivered via Company Email

Mr. David F. Kirby

Dear David:
z
We are pleased to extend to you the offer of a promotion to Senior Vice President, Treasury and Investor Relations of Hudson Global, Inc. (the "Company") reporting to Stephen A. Nolan, Chief Executive Officer effective as of August 8, 2015. Further to the job requirements for this position discussed with you, the terms of employment are as follows:

1.Compensation

Your annualized base salary will be US$230,000.00, which shall be paid semi-monthly at a rate of US$9,583.34, less applicable taxes and withholdings.

In addition to your base salary, you will be eligible to participate in the Global Corporate Management Bonus Plan with an annual incentive target bonus of 50% of your base salary (a US$115,000.00 Target Bonus). For 2015, the incentive will be prorated based on the effective date of your promotion. To be eligible for any incentive, you must be actively employed and in good standing with the Company on the day the incentives are paid, except to the extent otherwise provided in Section 4 or Section 5 below in the case of your termination by the Company without Cause (as defined below) or your termination from the Company for Good Reason (as defined below) after a Change in Control (as defined below). All compensation plans for the Company's Global Leadership Team and Executive Officers can be changed at any time at the sole discretion of the Compensation Committee of the Board of Directors.

2.Equity

You will be eligible to receive a grant of equity of the Company under the terms of the Company's long-term incentive plan as in effect from time to time, and as otherwise determined by the Compensation Committee. Any equity award will be subject to Compensation Committee approval, and will be subject in all respects to the Company's standard equity award agreement which must be signed and returned by you, and which includes, among other things, a vesting schedule and is subject to your continued employment. The effective grant date for any grant of equity will be, in accordance with the Company's equity award policy, seven calendar days after the date the Company first issues a quarterly earnings release after the date the Compensation Committee approves your grant.

3.Vacation

You will continue accruing vacation time of four weeks of vacation per annum subject to the Company's vacation policy. Holidays, floating holidays, personal days and sick days are also available as outlined in the Company's employee handbook.

Employee's acknowledgment of first page details: /s/ DFK
(Initials)

4. Termination and Severance

The Company may terminate your employment at any time for any reason or for no reason; provided that, if such termination is without Cause, the Company will be required to provide you with thirty (30) days' written notice. If you are terminated from the Company without Cause, then, subject to the execution and delivery of the Company's then current form of separation agreement and general release applicable to similarly-situated employees, you will receive: (i) severance based on your then applicable base salary for a minimum period of six (6) months following your Separation from Service (as defined below), payable in regular installments in accordance with the Company's applicable payroll practices; provided, however, that, in addition to the minimum six (6) months of severance, the period during which you receive severance (the "Severance Period") will be extended by one (1) month for each one (1) month of service following the effective date of your promotion up to a maximum Severance Period of twelve (12) months, (ii) any bonus earned by you under the Company's annual incentive plan for the fiscal year immediately prior to the year of your termination to the extent such bonus has not previously been paid and (iii) any bonus, on a pro rata basis, earned by you under the Company's annual incentive plan for the fiscal year in which you are terminated. If you elect to exercise your rights to continue group medical and dental plan coverage for a limited period (commonly referred to as "COBRA rights") within the statutorily prescribed time period commencing immediately following the termination date, and you pay an amount equal to an active employee's share of the premium for such benefits, the Company will pay the excess of the full COBRA cost over the amount paid by you during the Severance Period. You (or your estate) will not receive any severance if you are terminated for "Cause", if you voluntarily resign from your position with the Company or upon your death or termination as a result of disability.

Notwithstanding the foregoing, if the severance pay that is payable during the first six (6) months following your Separation from Service exceeds two times the lesser of (i) your annualized compensation paid by the Company for the calendar year preceding the calendar year in which the Separation from Service occurs (as adjusted for any increase during that year that was expected to continue indefinitely if the Separation from Service had not occurred), or (ii) the compensation limit in effect pursuant to Section 401(a)(17) of the Code (as defined below) for the calendar year in which your Separation from Service occurs, then payment of such excess shall be delayed and paid in a lump sum on the first day of the seventh (7th) month following the month in which the Separation from Service occurs, and in such event, the payment shall be accompanied by a payment of interest calculated at the rate of interest announced by the Federal Reserve Board (or any successor thereto) from time to time as the "federal funds rate", such rate to be determined on the date of your termination of employment, compounded quarterly.

Your receipt of the severance payments and premium payments by the Company set forth in this Section 4 are conditioned upon your executing a comprehensive release and waiver agreement and covenant not to sue as provided by the Company at the time of termination.

"Cause" shall mean the occurrence of any one or more of the following events: (i) your willful failure to perform, or gross negligence in, the performance of, your duties and obligations or compliance with the reasonable and legal business directions of the Chief Executive Officer, following delivery to you of a written notice from the Company which describes the basis for the Company's reasonable belief that you have not substantially performed your duties and your failure to remedy such performance concerns within 30 days; or (ii) your willful failure to comply with a material employment policy or contractual obligation to the Company; or (iii) your commission of (a) a felony, (b) criminal dishonesty or (c) fraud.

In consideration of the aforementioned severance provision, if you choose to resign from your position with the Company, you acknowledge and agree to provide the Company with a 90-day written notice prior to the effective date of your resignation.

Employee's acknowledgment of second page details: /s/ DFK
(Initials)

5. Change in Control

Notwithstanding any other provisions of this letter to the contrary:

a. Employment Period. If a Change in Control occurs when you are employed by the Company, the Company will continue thereafter to employ you during the period commencing on the date of a Change in Control and ending on the first anniversary of such date (the "Employment Period"), provided that your employment will remain on an "at will" basis during the Employment Period, and thereafter will continue to be subject to the terms and provisions of this letter.

b. Covered Termination. If there is any termination of your employment during the Employment Period by you for Good Reason or by the Company other than by reason of Cause, your disability or your death (a "Covered Termination"), then you shall be entitled to receive, and the Company shall promptly pay, that portion of the base salary under Section 1 earned through the date of the termination and, in lieu of further base salary for periods following such termination, as liquidated damages and severance pay (in lieu of, and not in addition to, any severance pay pursuant Section 4), the Termination Payment pursuant to Section 5(c).

c. Termination Payment.

(i) The "Termination Payment" shall be an amount equal to your severance amount determined pursuant to clauses (i) and (ii) of Section 4 plus your pro rata target bonus under the Company's Global Corporate Management Bonus Plan for the year in which termination occurs. The Termination Payment shall be paid to you in cash equivalent on the first day of the seventh (7th) month following the month in which the Separation from Service occurs, and in such event, the Termination Payment shall be accompanied by a payment of interest calculated using the annual rate of interest announced by the Federal Reserve Board (or any successor thereto) from time to time as the "federal funds rate", such rate to be determined on the date of your termination of employment, compounded quarterly. Such lump sum payment shall not be reduced by any present value or similar factor, and you shall not be required to mitigate the amount of the Termination Payment by securing other employment or otherwise, nor will such Termination Payment be reduced by reason of you securing other employment or for any other reason. The Termination Payment shall be in lieu of, and acceptance by you of the Termination Payment shall constitute your release of any rights of you to, any other cash severance payments under any Company severance policy, practice or agreement.

(ii) Notwithstanding any other provision of this letter, if any portion of the Termination Payment or any other payment under this letter, or under any other agreement with or plan of the Company or its Affiliates (as defined below) (in the aggregate, "Total Payments"), would constitute an "excess parachute payment" and would, but for this Section 5(c)(ii), result in the imposition on you of an excise tax under Code Section 4999 (the "Excise Tax"), then the Total Payments to be made to you shall either be (A) delivered in full, or (B) delivered in the greatest amount such that no portion of such Total Payment would be subject to the Excise Tax, whichever of the foregoing results in the receipt by you of the greatest benefit on an after-tax basis (taking into account the applicable federal, state and local income taxes and the Excise Tax).

Employee's acknowledgment of third page details: /s/ DFK
(Initials)

(iii) Within forty (40) days following a Covered Termination or notice by the Company to you of its belief that there is a payment or benefit due to you which will result in an “excess parachute payment”, you and the Company, at the Company’s expense, shall obtain the opinion (which need not be unqualified) of nationally recognized tax counsel (“National Tax Counsel”) selected by the Company and reasonably acceptable to you (which may be regular outside counsel to the Company), which opinion sets forth (A) the amount of the Base Period Income, (B) the amount and present value of Total Payments, (C) the amount and present value of any excess parachute payments determined without regard to any reduction of the Total Payments pursuant to Section 5(c)(ii), and (D) the net after-tax proceeds to you, taking into account the tax imposed under Code Section 4999 if (X) the Total Payments were reduced in accordance with Section 5(c)(ii) or (Y) the Total Payments were not so reduced. If such National Tax Counsel opinion determines that Section 5(c)(ii)(B) above applies, then the Termination Payment hereunder or any other payment or benefit determined by such counsel to be includable in Total Payments shall be reduced or eliminated so that under the bases of calculations set forth in such opinion there will be no excess parachute payment. In such event, payments or benefits included in the Total Payments shall be reduced or eliminated by applying the following principles, in order: (1) the payment or benefit with the higher ratio of the parachute payment value to present economic value (determined using reasonable actuarial assumptions) shall be reduced or eliminated before a payment or benefit with a lower ratio; (2) the payment or benefit with the later possible payment date shall be reduced or eliminated before a payment or benefit with an earlier payment date; and (3) cash payments shall be reduced prior to non-cash benefits; *provided* that if the foregoing order of reduction or elimination would violate Code Section 409A, then the reduction shall be made pro rata among the payments or benefits included in the Total Payments (on the basis of the relative present value of the parachute payments). For purposes of such opinion, the value of any noncash benefits or any deferred payment or benefit shall be determined by the Company’s independent auditors in accordance with the principles of Section 280G(d)(3) and (4) (or any successor provisions) of the Code, which determination shall be evidenced in a certificate of such auditors addressed to the Company and you. The opinion of National Tax Counsel shall be addressed to the Company and you and shall be binding upon the Company and you. If such National Tax Counsel so requests in connection with the opinion required by this Section 5(c)(iii), you and the Company shall obtain, at the Company’s expense, and the National Tax Counsel may rely on, the advice of a firm of recognized executive compensation consultants as to the reasonableness of any item of compensation to be received by you solely with respect to its status under Section 280G of the Code and the regulations thereunder.

Employee’s acknowledgment of fourth page details: /s/ DFK
(Initials)

(iv) For purposes of this letter, (A) the terms “excess parachute payment” and “parachute payments” shall have the meanings assigned to them in Section 280G (or any successor provision) of the Code and such “parachute payments” shall be valued as provided therein; (B) present value shall be calculated in accordance with Section 280G(d)(4) (or any successor provision) of the Code; and (C) you shall be deemed to pay federal income tax and employment taxes at your actual marginal rate of federal income and employment taxation, and state and local income taxes at your actual marginal rate of taxation in the state or locality of your domicile (determined in both cases in the calendar year in which the termination of employment or notice described in Section 5(c)(iii) above is given, whichever is earlier), net of the maximum reduction in federal income taxes that may be obtained from the deduction of such state and local taxes. As used in this letter, the term “Base Period Income” means an amount equal to your “annualized includable compensation for the base period” as defined in Section 280G(d)(1) (or any successor provision) of the Code.

(v) The Company agrees to bear all costs associated with, and to indemnify and hold harmless, the National Tax Counsel of and from any and all claims, damages, and expenses resulting from or relating to its determinations pursuant to this Section 5(c), except for claims, damages or expenses resulting from the gross negligence or willful misconduct of such firm.

(vi) This Section 5(c) shall be amended to comply with any amendment or successor provision to Sections 280G or 4999 of the Code. If such provisions are repealed without successor, then this Section 9(c) shall be cancelled without further effect.

d. Additional Benefits. If there is a Covered Termination and you are entitled to the Termination Payment, then until the earlier of the end of the Employment Period or such time as you have obtained new employment and are covered by benefits which in the aggregate are at least equal in value to the following benefits, you shall continue to be covered, at the expense of the Company, by the same or equivalent health and dental coverage as you were covered by immediately prior to the termination of your employment and such coverage shall count as COBRA continuation coverage

Employee’s acknowledgment of fifth page details: /s/ DFK
(Initials)

e. Definition of Change in Control. For purposes hereof, a "Change in Control" shall be deemed to occur on the first to occur of any one of the following events: (a) the consummation of a consolidation, merger, share exchange or reorganization involving the Company, unless such consolidation, merger, share exchange or reorganization is a "Non-Control Transaction" (as defined below); (b) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all, or substantially all, of the assets of the Company (in one transaction or a series of related transactions within any period of 24 consecutive months), other than a sale or disposition by the Company of all, or substantially all, of the Company's assets to an entity at least 75% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale; (c) any person (as such term is used in Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (other than (1) the Company, (2) any subsidiary of the Company, (3) a trustee or other fiduciary holding securities under any employee benefit plan (or any trust forming a part thereof) maintained by the Company or any subsidiary or (4) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock in the Company) is or becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company after the date hereof pursuant to express authorization by the Board that refers to this exception) representing more than 20% of the then outstanding shares of Common Stock or the combined voting power of the Company's then outstanding voting securities; or (d) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, as of the date hereof, constitute the entire Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended. Notwithstanding the foregoing, no "Change in Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the Common Stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity that owns all or substantially all of the assets or voting securities of the Company immediately following such transaction or series of transactions. A "Non-Control Transaction" shall mean a consolidation, merger, share exchange or reorganization of the Company where (a) the stockholders of the Company immediately before such consolidation, merger, share exchange or reorganization beneficially own, directly or indirectly, more than 50% of the then outstanding shares of common stock and the combined voting power of the outstanding voting securities of the corporation resulting from such consolidation, merger, share exchange or reorganization (the "Surviving Corporation"); (b) the individuals who were members of the Board immediately prior to the execution of the agreement providing for such consolidation, merger, share exchange or reorganization constitute at least 50% of the members of the board of directors of the Surviving Corporation; and

Employee's acknowledgment of sixth page details: /s/ DFK
(Initials)

(c) no person (other than (1) the Company, (2) any subsidiary of the Company or (3) any employee benefit plan (or any trust forming a part thereof) maintained by the Company, the Surviving Corporation or any subsidiary) is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company after the date hereof pursuant to express authorization by the Board that refers to this exception) representing more than 20% of the then outstanding shares of the common stock of the Surviving Corporation or the combined voting power of the Surviving Corporation's then outstanding voting securities.

f. Good Reason. You shall have "Good Reason" for termination of employment in connection with a Change in Control of the Company in the event of:

(i) any breach of this letter by the Company, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith that the Company remedies promptly after receipt of notice thereof given by you;

(ii) any reduction in your base salary, percentage of base salary available as incentive compensation or bonus opportunity or benefits, in each case relative to those most favorable to you in effect at any time during the 180-day period prior to the Change in Control;

(iii) the removal of you from, or any failure to reelect or reappoint you to, any of the positions held with the Company on the date of the Change in Control or any other positions with the Company to which you shall thereafter be elected, appointed or assigned, except in the event that such removal or failure to reelect or reappoint relates to the termination by the Company of your employment for Cause or by reason of disability pursuant to Section 4;

(iv) a good faith determination by you that there has been a material adverse change, without your written consent, in the your working conditions or status with the Company relative to the most favorable working conditions or status in effect during the 180-day period prior to the Change in Control, including but not limited to (A) a significant change in the nature or scope of your authority, powers, functions, duties or responsibilities, or (B) a significant reduction in the level of support services, staff, secretarial and other assistance, office space and accoutrements, but in each case excluding for this purpose an isolated, insubstantial and inadvertent event not occurring in bad faith that the Company remedies within ten (10) days after receipt of notice thereof given by you;

(v) the relocation of your principal place of employment to a location more than 50 miles from your principal place of employment on the date 180 days prior to the Change in Control; or

(vi) the Company requires you to travel on Company business 20% in excess of the average number of days per month you were required to travel during the 180-day period prior to the Change in Control.

Employee's acknowledgment of seventh page details: /s/ DFK
(Initials)

g. Certain Defined Terms

i. Affiliate. The term “Affiliate” means each entity that is required to be included in the Company’s controlled group of corporations within the meaning of Code Section 414(b), or that is under common control with the Company within the meaning of Code Section 414(c); provided that the phrase “at least 50 percent” shall be used in place of the phrase “at least 80 percent” each place it appears therein or in the regulations thereunder.

ii. Code. The term “Code” means the Internal Revenue Code of 1986, including any amendments thereto or successor tax codes thereof and the rules and regulations promulgated thereunder.

iii. Separation from Service. The term “Separation from Service” means your termination of employment from the Company and its Affiliates, or if you continue to provide services following your termination of employment, such later date as is considered a separation from service, within the meaning of Code Section 409A, from the Company and its Affiliates. Specifically, if you continue to provide services to the Company or an Affiliate in a capacity other than as an employee, such shift in status is not automatically a Separation from Service. You will be presumed to have terminated employment from the Company and its Affiliates when the level of bona fide services provided by you (whether as an employee or independent contractor) to the Company and its Affiliates permanently decreases to a level of twenty percent (20%) or less of the level of services rendered by such individual, on average, during the immediately preceding 36 months (or such lesser period of service). Notwithstanding the foregoing, if you take a leave of absence for purposes of military leave, sick leave or other bona fide leave of absence, you will not be deemed to have incurred a Separation from Service for the first six (6) months of the leave of absence, or if longer, for so long as your right to reemployment is provided either by statute or by contract; provided that if the leave of absence is due to a medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than six (6) months, where such impairment causes you to be unable to perform the duties of your position of employment or any substantially similar position of employment, the leave may be extended for up to twenty-nine (29) months without causing a Separation from Service.

6. Conditions of Employment

a. At Will Employment

Your promotion as Senior Vice President, Treasury and Investor Relations with the Company is scheduled to commence on August 8, 2015. To prevent any misunderstandings between us, this letter (including the Hudson Agreement (as defined below)) sets forth the entire agreement between us regarding the new terms of your employment and supersedes any prior discussions or agreements between us or between you and any other representative of the Company regarding your employment. This letter may not be amended or modified except by a document in writing signed by both of us. Please understand that while it is our hope that our relationship will be a long one, your employment remains on an “at will” basis. Nothing in this letter should be construed as creating any other type of employment relationship.

Employee’s acknowledgment of eighth page details: /s/ DFK
(Initials)

b. Code of Conduct
In accepting your new position as Senior Vice President, Treasury and Investor Relations, you must acknowledge receipt of the Company's Code of Business Conduct and Ethics (the "Code") and confirm that you will comply with such Code. You also agree to confirm compliance annually with the Code.

c. Indemnification.
The Company shall to the fullest extent permitted by the Company's certificate of incorporation and bylaws in effect from time to time, subject to the conditions thereof, indemnify you against expenses, judgements, fines, settlements and other amounts actually and reasonably incurred in connection with any proceedings against you by third parties arising by reason of the fact that you are or were an agent or employee of the Company.

d. Code Section 409A Exemption
The benefits provided by this letter are intended to be exempt from the provisions of Section 409A of the Internal Revenue Code of 1986, as amended, and shall be construed, interpreted, administered and limited as necessary to preserve such exemption.

e. Governing Law
Notwithstanding principles of conflicts of law of any jurisdiction to the contrary, all terms and provisions to this letter are to be construed and governed by the laws of the State of New York without regard to the laws of any other jurisdiction in which you reside or perform any duties hereunder or where any violation of this letter occurs.

f. Confidentiality, Non-Solicitation, and Work Product Agreement, and Mutual Agreement to Arbitrate Claims ("Hudson Agreement")
Due to the nature of our business and in an effort to protect our clients, the Company requires you to sign the most current version of the Confidentiality, Non-Solicitation, and Work Product Agreement, and Mutual Agreement to Arbitrate Claims. The Hudson Agreement is enclosed for your review and signature and forms part of this letter. It is a goal of the Company to provide as positive an experience for you as possible.

Please acknowledge your acceptance of this promotion to Senior Vice President, Treasury and Investor Relations and the terms outlined above by signing and dating this letter and returning it to me along with the signed Hudson Agreement. You are welcome to call me anytime with questions at 212-351-7400.

Sincerely,

/s/ Peg Buchenroth
Peg Buchenroth
Chief People Officer, Americas & Corporate

Enclosure

Acknowledged and Agreed:

/s/ David F. Kirby	August 7, 2015
David F. Kirby	Date

CONFIDENTIALITY, NON-SOLICITATION
AND WORK PRODUCT ASSIGNMENT AGREEMENT,
AND MUTUAL AGREEMENT TO ARBITRATE CLAIMS

As a material inducement to and in consideration of his/her employment by Hudson Global, Inc. and/or its, subsidiaries, affiliates or successors (individually and collectively, "Hudson"), David F. Kirby (the "Employee") agrees as follows:

1. **Confidential Information**

1.1 **Definition**.

"Confidential Information" consists of all information or data relating to the business of Hudson, including but not limited to, business and financial information; new product development and technological data; personal information and the identities of employees; the identities and personal information of applicants for employment; the identities of clients and suppliers and prospective clients and suppliers; client lists and potential client lists; resumes; development, expansion and business strategies, plans and techniques; computer programs, devices, methods, techniques, processes and inventions; research and development activities; trade secrets as defined by applicable law and other materials (whether in written, graphic, audio, visual, electronic or other media, including computer software) developed by or on behalf of Hudson which is not generally known to the public, which Hudson has and will take precautions to maintain as confidential, and which derives at least a portion of its value to Hudson from its confidentiality. Additionally, Confidential Information includes information of any third party doing business with Hudson (actively or prospectively) that Hudson or such third party identifies as being confidential. Confidential Information does not include any information that is in the public domain or otherwise publicly available (other than as a result of a wrongful act by the Employee or an agent or other employee of Hudson) or information relating to the terms and conditions of employment or to lawful, protected, concerted activity under the National Labor Relations Act.

1.2 **Agreement to Maintain the Confidentiality of Hudson's Confidential Information**.

The Employee acknowledges that, as a result of his/her employment by Hudson, he/she will have access to such Confidential Information and to additional Confidential Information which may be developed in the future. The Employee acknowledges that all Confidential Information is the exclusive property of Hudson, or in the case of Confidential Information of a third party, of such third party. The Employee agrees to hold all Confidential Information in trust for the benefit of the owner of such Confidential

Information. The Employee further agrees that he/she will use Confidential Information for the sole purpose of performing his/her work for Hudson, and that during his/her employment with Hudson, and at all times after the termination of that employment for any reason, the Employee will not use for his/her benefit, or the benefit of others, or divulge or convey to any third party any Confidential Information obtained by the Employee during his/her employment by Hudson, unless it is pursuant to Hudson's prior written permission.

1.3 **Return of Property**.

The Employee acknowledges that he/she has not acquired and will not acquire any right, title or interest in any Confidential Information or any portion thereof. The Employee agrees that upon termination of his/her employment for any reason, he/she will deliver to Hudson immediately, but in no event later that the last day of his/her employment, all documents, data, computer programs and all other materials, and all copies thereof, that were obtained or made by the Employee during his/her employment with Hudson, which contain or relate to Confidential Information.

1.4 **Agreement to Maintain the Confidentiality of Client's Confidential Information**.

Employee may have access to confidential client information during Employee's employment with Hudson. Confidential client information includes all information about client's business affairs that is provided to Hudson by its clients, which is not already known or readily available to the general public. Knowledge of a client's business affairs must never be disclosed or used in an improper manner.

In order to maintain the professional confidence that is the basis of the client relationship, Employees of Hudson shall not:

a. Discuss the clients' affairs with other clients or with third parties, unless Hudson has been authorized to do so.
b. Identify any particular client where Hudson did work when discussing the specific projects performed with other potential or existing clients.
c. Discuss the confidential information to clients' employees not authorized to receive it.
d. Discuss confidential client matters in public places where conversations may be overheard.

2. **Disclosure and Assignment of Inventions and Creative Works**

The Employee agrees to promptly disclose in writing to Hudson all inventions, ideas, discoveries, developments, improvements and innovations (collectively "Inventions"), whether or not patentable and all copyrightable works, including but limited to computer software designs and programs ("Creative Works") conceived, made or

developed by the Employee, whether solely or together with others, during the period the Employee is employed by Hudson. The Employee agrees that all Inventions and all Creative Works, whether or not conceived or made during working hours, that: (a) relate directly to the business of Hudson or its actual or demonstrably anticipated research or development, or (b) result from the Employee's work for Hudson, or (c) involve the use of any equipment, supplies, facilities, Confidential Information, or time of Hudson, are the exclusive property of Hudson. The Employee hereby assigns and agrees to assign all right, title and interest in and to all such Inventions and Creative Works to Hudson. The Employee understands that he/she is not required to assign to Hudson any Invention or Creative Work for which no

equipment, supplies, facilities, Confidential Information or time of Hudson was used, unless such Invention or Creative Work relates directly to Hudson's business or actual or demonstrably anticipated research and development, or results from any work performed by the Employee for Hudson.

3. **Future Restrictions**

3.1 **Non-Solicitation of Clients**.

During the period of the Employee's employment with Hudson and for a period of one year from the date of termination of such employment for any reason, the Employee agrees that he/she will not, directly or indirectly, for the Employee's benefit or on behalf of any person, corporation, partnership or entity whatsoever, call on, solicit, perform services for, interfere with or endeavor to entice away from Hudson any client to whom Employee provided services at any time during the 12 month period preceding the date of termination of the Employee's employment with Hudson, or any prospective client to whom Employee had contact with during the 6 month period preceding the date of termination of Employee's employment with Hudson. A "prospective client" shall be defined as an individual or company that expressed interest in working with Hudson.

3.2 **Non-Solicitation of Employees**.

During the period of the Employee's employment with Hudson and for a period of one year after the date of termination of Employee's employment with Hudson for any reason, the Employee agrees that he/she will not, directly or indirectly, hire, attempt to hire, recruit, solicit, refer to any third party or encourage the departure of:

(i) any personnel of Hudson; or,
(ii) any personnel of Hudson's clients or customers for which Employee has provided services while employed by Hudson.

3.3. **Non-Solicitation of Candidates**

For a period of one year after the date of termination of Employee's employment with Hudson for any reason, the Employee agrees that he/she will not, directly or

indirectly, solicit for employment any candidate for employment for whom Employee solicited or placed with Hudson during his/her employment with Hudson.

4. **Prior Employment Obligations**

Employee represents and warrants that Employee has notified Hudson of any contractual or other obligations affecting Employee's employment with Hudson. Employee agrees not to use during his/her employment with Hudson or disclose to Hudson any trade secret or information that Employee is required to keep confidential relating to Employee's former employers, clients, customers or suppliers. Employee will not bring onto Hudson's premises or use in the scope of Employee's employment with Hudson any unpublished document or any property belonging to any such persons or entities without their consent.

5. **Agreement to Arbitrate**

5.1 **Acknowledgment**.

Hudson and the Employee (together the “Parties”) further recognize that differences may arise between either of them after or during Employee's employment with Hudson.

The Parties understand and agree that by entering into this agreement to arbitrate claims, each anticipates gaining the benefit of arbitration as a speedy, impartial dispute-resolution procedure, and understands and agrees that both are voluntarily consenting to forego other types of litigation, except as specifically listed below in Section 5.3. Employee acknowledges that his/her agreement to submit to arbitration as described in this Agreement is in consideration of and is a material inducement to his/her employment by Hudson.

5.2 **Claims Covered by this Agreement**.

Hudson and Employee mutually consent to the resolution by arbitration of all claims or controversies (tort, contract or statutory), whether or not arising out of Employee’s employment (or its termination), that Hudson may have against Employee or that Employee may have against Hudson ("claims"). The claims covered by this Agreement include, but are not limited to, claims for wages, bonuses, overtime pay, or other compensation due; claims for breach of any contract or covenant (express or implied); tort claims, including but not limited to, defamation, wrongful termination, invasion of privacy and intentional infliction of emotional distress; claims for discrimination (including, but not limited to, race, sex, religion, national origin, age, marital status, or medical condition or disability), harassment and/or retaliation; claims for benefits or the monetary equivalent of benefits (except where an employee benefit or pension plan specifies that its claims procedure is subject to an arbitration procedure different from this one); and claims for violation of any federal, state, or other

governmental law, statute, regulation, or ordinance, except claims excluded in the following Section 5.3.

5.3 **Claims Not Covered by the Agreement**.

Claims not covered by this Agreement include claims that Employee may have now or in the future for workers’ compensation, unemployment benefits, unfair labor practice charges under the National Labor Relations Act, or any collective/class action claims for which Employee claims to be a representative class member. Also not covered are claims by Hudson based on criminal acts of Employee, and claims for injunctive or other equitable relief for: (a) breach or threatened breach of any non-competition, non-solicitation, confidentiality and/or patent or invention assignment agreements; (b) unfair competition; or (c) the misappropriation, use and/or unauthorized disclosure of trade secrets or confidential information, as to each of which Employee understands and agrees that Hudson may immediately seek and obtain relief from a court of competent jurisdiction.

5.4 **Required Notice of All Claims and Statute of Limitations**.

The Parties agree that each must deliver written notice of any claim to the other party within one (1) year of the date the aggrieved party first has knowledge of the event giving rise to the claim; otherwise the claim will be void and deemed waived, even if there is a federal or state statute of limitations which would have given more time to pursue the claim.

5.5 **Arbitration Procedures**.

Hudson and Employee agree that, except as provided in this Agreement, any arbitration shall be in accordance with the then-current employment dispute rules of the American Arbitration Association ("AAA") and all arbitration demands shall be through AAA unless Hudson and Employee mutually agree to a different dispute resolution company.

The arbitrator shall render a written award and opinion in the form typically rendered in arbitrations. The award shall be final and binding.

5.6 **Arbitration Fees and Costs**.

Hudson will pay the reasonable fees and costs of the arbitrator. Hudson and Employee will each pay its and his/her costs and attorneys' fees, if any. However, if either Party prevails on a statutory claim that affords the prevailing party attorneys' fees, the arbitrator may award reasonable fees to the prevailing Party.

5.7 **Requirements for Modification or Revocation**.

This Agreement to arbitrate shall survive the termination of Employee's employment. It may only be revoked or modified by a writing signed by the parties which specifically states intent to revoke or modify this Agreement.

5.8 **Sole and Entire Agreement**.

This is the complete agreement of the parties on the subject of arbitration of disputes except for any arbitration agreement in connection with any pension or benefit plan. This Agreement supersedes any prior or contemporaneous oral or written understanding on the subject. Employee is not relying on any representations, oral or written, on the subject of the effect, enforceability or meaning of this Agreement, except as specifically set forth in this Agreement.

5.9 **Construction**.

If any provision, portion or section of this Agreement is judged to be void or otherwise unenforceable, in whole or in part, such judgment will not affect the validity of the remainder of this Agreement.

6. **Miscellaneous**

6.1 **Not a Guarantee of Employment**.

This Agreement is not, and shall not be construed to create, any contract of employment or guarantee of employment for any specific time or under any specific terms or conditions.,

express or implied, and each of the Parties remains free to terminate the employment relationship at any time, for any reason or no reason, with or without notice, reason, or cause.

6.2 **Enforcement**.

If, at the time of enforcement of this Agreement, a court holds that any of the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area deemed reasonable under such circumstances will be substituted for the stated period, scope or area as contained in this Agreement. Because money damages would be an inadequate remedy for any breach of the Employee's obligations under this Agreement, in the event the Employee breaches or threatens to breach this Agreement, Hudson, or any successors or assigns, may, in addition to other rights and remedies existing in its favor, apply to any court of competent jurisdiction for specific performance, or injunctive or other equitable relief in order to enforce or prevent any violations of this Agreement.

6.3 **Severability**.

Whenever possible, each provision of this Agreement will be interpreted in such a way as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under my applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provisions, but this Agreement and/or such provision will be reformed,
construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

6.4 **Complete Agreement**.

This Agreement contains the complete agreement and understanding between the parties and supersedes and preempts any prior understanding, agreement or representation by or between the parties, written or oral, relating to the subject matter contained herein.

6.5 **Additional Rights and Causes of Action**.

This Agreement is in addition to and does not in any way waive or detract from any rights or causes of action Hudson may have relating to Confidential Information or other protectable information or interests under statutory or common law or under any other agreement.

6.6 **Governing Law**.

Notwithstanding principles of conflicts of law of any jurisdiction to the contrary, all terms and provisions of this Agreement are to be construed and governed by the laws of the State where Employee was employed by Hudson without regard to the laws of any other jurisdiction wherein the Employee resides or performs any duties hereunder or where any violation of this Agreement occurs.

6.7 **Successors and Assigns**.

The Agreement will inure to the benefit of and be enforceable by Hudson and its successors and assigns. The Employee may not assign the Employee's rights or delegate the Employee's obligations hereunder.

6.8 **Waivers**.

The waiver by either the Employee or Hudson of a breach by the other party of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by the breaching party.

HUDSON AND EMPLOYEE ACKNOWLEDGE THAT (A) EACH HAS CAREFULLY READ THIS AGREEMENT, (B) EACH UNDERSTANDS ITS TERMS,

(C) ALL UNDERSTANDINGS AND AGREEMENTS BETWEEN HUDSON AND EMPLOYEE RELATING TO THE SUBJECTS COVERED IN THE AGREEMENT ARE CONTAINED IN IT, AND (D) EACH HAS ENTERED INTO THIS AGREEMENT VOLUNTARILY AND NOT IN RELIANCE ON ANY PROMISES OR REPRESENTATIONS BY THE OTHER, OTHER THAN THOSE CONTAINED IN THIS AGREEMENT ITSELF. EMPLOYEE FURTHER ACKNOWLEDGES THAT HE/SHE HAS BEEN GIVEN SUFFICIENT TIME AND OPPORTUNITY TO CONSIDER WHETHER TO SIGN THIS AGREEMENT; AND HAS NOT BEEN FORCED OR COERCED INTO DOING SO.

IN WITNESS WHEREOF, the parties hereto have executed this Confidentiality Agreement and Mutual Agreement to Arbitrate Claims.

DAVID F. KIRBY HUDSON GLOBAL, INC.

/s/ David F. Kirby /s/ Peg Buchenroth
Signature of Employee Signature of Authorized Representative

David F. Kirby Chief People Officer, Americas and Corporate
Print Name of Employee Title of Representative

August 7, 2015 August 6, 2015
Date Date

Exhibit 21

Subsidiaries of Hudson Global, Inc.

Subsidiary	State or jurisdiction of incorporation	Percentage owned
Hudson Global Resources (Aust) Pty Limited	Australia	100%
Hudson Highland (APAC) Pty Limited	Australia	100%
Hudson Belgium SA NV	Belgium	100%
Hudson Global Resources Belgium NV	Belgium	100%
James Botrie and Associates, Inc.	Canada	100%
Hudson Recruitment Shanghai Limited	China	100%
Hudson Highland Group Holdings International, Inc.	Delaware	100%
Hudson Global Resources S.A.S.	France	100%
Hudson Global Resources Hong Kong Limited	Hong Kong	100%
Hudson HoldCo (Hong Kong) Limited	Hong Kong	100%
Hudson Global Resources Jersey Limited	Jersey	100%
Hudson Europe BV	Netherlands	100%
Hudson Global Resources (NZ) Ltd	New Zealand	100%
Hudson Global Resources Management, Inc.	Pennsylvania	100%
Hudson Global Resources Sp.Zo.O	Poland	100%
Hudson Global Resources (Singapore) Pte Limited	Singapore	100%
Hudson Global Resources Madrid S.L.	Spain	100%
Hudson Global Resources S.L.	Spain	100%
Hudson Global Resources Switzerland	Switzerland	100%
Hudson Global Resources Limited	United Kingdom	100%

Listed above are certain consolidated directly or indirectly owned Hudson Global, Inc. subsidiaries included in the consolidated financial statements of Hudson Global, Inc. Unlisted subsidiaries, considered in the aggregate, do not constitute a significant subsidiary.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Hudson Global, Inc.:

We consent to the incorporation by reference in the registration statements (No. 333-119563) on Form S-4 and (Nos. 333-104209, 333-104210, 333-104212, 333-117005, 333-117006, 333-126915, 333-161170, 333-161171, 333-176007 and 333-182973) on Form S-8 of Hudson Global, Inc. of our reports dated March 3, 2016, with respect to the consolidated balance sheets of Hudson Global, Inc. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, cash flows and stockholders' equity for each of the years in the three-year period ended December 31, 2015, and the related financial statement schedules listed in Item 15(2), and the effectiveness of internal control over financial reporting as of December 31, 2015, which reports appear in the December 31, 2015 annual report on Form 10-K of Hudson Global, Inc.

/s/ KPMG LLP

New York, New York

March 3, 2016

Exhibit 31.1

CERTIFICATIONS

I, Stephen A. Nolan, certify that:

1. I have reviewed this annual report on Form 10-K of Hudson Global, 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. The registrant's other certifying officer and I are 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 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 function):
    (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.

Dated: March 3, 2016

/s/ STEPHEN A. NOLAN

Stephen A. Nolan
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Patrick Lyons, certify that:

1. I have reviewed this annual report on Form 10-K of Hudson Global, 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. The registrant's other certifying officer and I are 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 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 function):
   (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.

Dated: March 3, 2016

/s/ PATRICK LYONS

Patrick Lyons

Chief Financial Officer and Chief Accounting Officer

Exhibit 32.1

Written Statement of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Executive Officer of Hudson Global, Inc. (the “Company”), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 31, 2015 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ STEPHEN A. NOLAN

Stephen A. Nolan
March 3, 2016

Exhibit 32.2

Written Statement of the Chief Financial Officer and Chief Accounting Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Financial Officer and Chief Accounting Officer of Hudson Global, Inc. (the "Company"), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended December 31, 2015 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ PATRICK LYONS

Patrick Lyons

March 3, 2016