

Hudson Global, Inc.
Corporate Governance Guidelines

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Introduction

The Board of Directors (the "Board") of Hudson Global, Inc. (the "Company") acting on the recommendation of its Directors and Nominating and Governance Committee, has adopted the following Corporate Governance Guidelines ("Guidelines") to promote the effective functioning of the Board and its committees and to set forth a common set of expectations as to how the Board and its committees should perform their functions. These Guidelines are in addition to, and should be interpreted in accordance with, any requirements imposed by federal or Delaware law, the National Association of Securities Dealers Automated Quotations (the "NASDAQ"), and the Certificate of Incorporation and Bylaws of the Company, each as amended. The Directors and the Nominating and Governance Committee periodically review these Guidelines in light of evolving circumstances and recommend changes to the Board as appropriate. These Guidelines are not intended to modify any applicable law or any provision of the Company's Certificate of Incorporation or Bylaws. All applicable laws and regulations and the Certificate of Incorporation and Bylaws shall prevail over any conflicting provision of these Guidelines.

A. Functions of the Board

The Board oversees the management, operations, and strategy of the Company. The primary functions of the Board include the following:

- Representing the stockholders' interest;
- Reviewing and approving the Company's strategic and financial plans and changes thereto, and reviewing the Company's progress in executing such plans;
- Providing oversight and guidance to management by the Board or through its committees for the timely identification, mitigation, and management of risks that could have a material impact on the Company;
- Reviewing and approving material transactions of the Company's business;
- Reviewing the Company's compliance with applicable law, including the Company's public disclosure obligations;
- Establishing and maintaining appropriate corporate governance policies; and
- Evaluating periodically the overall effectiveness of the Board.

B. Director Qualification Standards and Responsibilities

1. **Qualifications of Directors.** Each Director must display the highest personal and professional ethics, integrity and values, and sound business judgment. In addition, a Director must be highly accomplished in his or her respective field, have expertise and experience relevant to the Company's business, be independent of any particular constituency, and have sufficient time to devote to the activities of the Board. The Nominating and Governance Committee may establish additional qualification for Directors.
2. **Independence.** The Board will have a majority of Directors who satisfy the criteria for "independent directors" pursuant to applicable legal requirements and the rules of the

NASDAQ Global Select Market. The Board shall annually make an affirmative determination that each independent Director meets the applicable independence requirements.

3. **Attendance at Meetings.** Directors are expected to attend all meetings of the Board and of committees of the Board of which they are members. They are expected to devote as much time to the affairs of the Company as necessary to properly discharge their responsibilities. Directors are expected to attend the Company's annual meeting of stockholders.
4. **Code of Conduct.** Directors are expected to adhere to the Company's Code of Business Conduct and Ethics. All Directors shall recuse themselves from any decision affecting their personal interests, but Directors who are member of the Company's Compensation Committee may vote on matters relating to compensation of Directors. The Board shall resolve any conflict of interest question involving the Chief Executive Officer that is brought to its attention.
5. **Confidentiality.** Subject to applicable law, Directors have an obligation to the Company and its stockholders to maintain the confidentiality of nonpublic information about the Company (and nonpublic information provided to the Directors by another person or company) and not disclose such information or use it for any purpose other than its intended use. Directors are expected to take all appropriate steps to minimize the risk of disclosure of confidential communications coming to them from the Company and of confidential discussions involving Directors. All discussions occurring at Board or Board committee meetings are presumed to be confidential to the extent disclosure of them is not legally required. Directors may not use confidential information for their own personal benefit or for the benefit of persons or entities outside the Company or in violation of any law or regulation including insider trading laws and regulations. These responsibilities with regard to confidential information apply to Directors during and after their service on the Board. For purposes of these Guidelines, "confidential information" means all non-public information relating to the Company, including information that could be useful to competitors or otherwise harmful to the Company's interests or objectives if disclosed.
6. **Interaction with Outside Parties.** It is the responsibility of the Company's Chief Executive Officer and other appropriate senior management to speak for the Company with the press and other outside parties. Only the Chief Executive Officer, the Chief Financial Officer and the Investor Relations Director can contact securities analysts or investment bankers related to the Company's business. Each Director should refer inquiries from institutional investors, analysts, the press or clients to the Chief Executive Officer or his or her designee. The Company's Chairman, or the Lead Director, may act as the spokesperson for the Company if the Chief Executive Officer is unable to do so.
7. **Director Orientation and Continuing Education.** All new Directors will participate in an orientation program that will cover the Company's business and structure and will include meetings with the Company's senior management. On a periodic basis, Directors may participate, at the Company's reasonable expense, in educational programs relevant to the responsibilities of the Company's Directors.

C. Selection and Composition of the Board of Directors

1. **Size of Board.** The size of the Board is governed by the Company's Certificate of Incorporation and the Bylaws, each as amended. The size of the Board shall be between 5

and 11 members.

2. **Selection Process for Directors; Nominations by Stockholders.** The Nominating and Governance Committee will identify individuals believed to be qualified as candidates to serve on the Board and its committees and recommend the nomination of candidates for all directorships to be filled by the Board or by the stockholders at an annual or special meeting in accordance with the criteria and procedures set forth in its charter. The Nominating and Governance Committee will consider nominees for the Board who are proposed by stockholders if such nominees meet the qualification standards established by the Nominating and Governance Committee and the Bylaws.
3. **Selection of the Chairman of the Board; Chairman and CEO Positions.** The Board shall choose, from among the members of the Board, a Chairman of the Board. The reasons the Board has separated the positions of Chairman and Chief Executive Officer include that this leadership structure helps to promote more effective governance and oversight of the Company by the Board and the resulting increased time available for the Chief Executive Officer to focus on the execution of the Company's strategy and operations.
4. **Service by Directors on Other Boards.** Directors should not serve on more than five boards of public companies in addition to the Company's Board, unless otherwise approved by the Board. A Director who is a Chief Executive Officer of a public company should not serve on more than three boards of public companies including the Company's Board. No member of the Audit Committee may serve on the audit committee of more than three public companies, including the Company, unless the Board has determined that such simultaneous service would not impair the ability of such member to serve effectively on the Audit Committee. The Nominating and Governance Committee will take into account the demands of an individual's service on other boards in evaluating the suitability of nominees. Directors will report to the Nominating and Governance Committee any material change in his or her service on other boards. The Nominating and Governance Committee will review the Director's continued service on a case-by-case basis and determine whether service on additional boards is consistent with continued service on the Company's Board.
5. **Effect of Change in a Director's Employment.** Upon any material change in an outside Director's employment, the Director is required to report the change by submitting a letter of resignation to the Chair of the Nominating and Governance Committee. The Nominating and Governance Committee will review the outside Director's continued service on a case-by-case basis and make a recommendation to the Board. A Director who is also an employee of the Company shall cease to be a Director on the date such employee's employment by the Company is terminated for any reason.
6. **Plurality Voting.** The Bylaws provide for plurality voting in the election of Directors.
7. **Term Limits and Retirement Age.** The Board does not have a policy regarding term limits or the retirement age for Directors.

D. Director Compensation

The Compensation Committee sets the compensation for outside members of the Board, including payment for (i) attendance at Board meetings, (ii) participation in Board committees and (iii) the issuance of any awards of stock and stock options, all in accordance with applicable

state and federal rules. The Compensation Committee periodically reviews Board compensation. The Company's officers will not receive additional compensation for their service as Directors, but will be compensated for reasonable expenses incurred in connection with such service.

E. Loans to Directors

It is the policy of the Company not to make any personal loans to its Directors.

F. Stock Ownership by Outside Directors

The Board believes that it is important for each outside director to establish and hold specified ownership levels of Company stock to help align the outside Director's interests with those of the Company's stockholders. The Company has established a stock ownership policy (the "Policy") whereby each outside director must own directly the Common Stock of the Company, \$0.01 par value (or common stock equivalents held under the Company's Director Deferred Share Plan) with a market value equal to at least three times the Director's then-current annual cash retainer. Stock ownership requirements must be satisfied within five years from a Director's appointment to the Board of the Company or five years from the adoption of the Policy, whichever occurs later. Stock ownership guidelines are reviewed each year to ensure they continue to be effective in aligning Directors' and stockholders' interests.

G. Board Meetings

1. **Number and Location.** The Board will meet periodically and at such location as determined by the Board. The Board will meet in special or telephonic meetings as necessary.
2. **Lead Director.** The Company will have a Lead Director if the same person holds the position of Board Chairman and Chief Executive Officer, or if the Chairman is not independent. The Nominating and Governance Committee will recommend to the Board nominees for the position of Lead Director from among the independent members of the Board. The independent members, excluding the nominee, will select the Lead Director from among the nominees by majority vote.
3. **Agenda.** The Chairman, or, if no Chairman has been designated, the Company's Chief Executive Officer, will frame the issues for the Board to consider and, in consultation with the Lead Director, if the Chairman and Chief Executive Officer is the same person, and committee chairmen, will set the agenda for meetings of the Board. All Directors are encouraged to propose matters for consideration by the Board.
4. **Materials Distributed to Directors.** Materials and information important to a Director's understanding of matters to be considered by the Board or Board committee will be distributed before the Board or Board committee meets, with sufficient advance distribution, when feasible, to allow Directors to give such materials and information suitable consideration. Prior distribution of materials may not be appropriate when confidential or sensitive matters are to be considered.
5. **Attendance of Non-Directors at Board and Board Committee Meetings.** The Board may invite persons who are not Directors, including, but not limited to, members of senior management of the Company, to attend and participate in meetings of the Board and its Board committees where their presence and experience would be helpful to the consideration

of the matters under discussion.

6. **Meetings of Independent Directors.** Independent Directors will meet periodically as a group without the presence of management. Normally such meetings of independent Directors will occur in conjunction with each regular meeting of the Board or Board committees. Meetings may take place at such other times as the independent Directors deem necessary. The Chairman or, if the Chairman and Chief Executive Officer is the same person, the Lead Director will serve as chairman of meetings of the independent Directors.

H. Board Committees

1. **Board Committees.** The Board will maintain committees in conformity with the rules of the NASDAQ and other relevant laws and regulations, including, at a minimum, an Audit Committee, a Compensation Committee, and a Nominating and Governance Committee. The Board may form and disband additional committees as it deems appropriate.
2. **Composition of Committees.** Each of the Board committees will consist solely of independent directors as defined by the rules of the NASDAQ and other relevant laws and regulations. The Board, upon recommendation from the Nominating and Governance Committee, is responsible for the appointment of committee members and committee chairmen.
3. **Committee Meetings.** The committee chairman, in consultation with committee members, will determine the frequency and length of the meetings of the committee, and the agenda for the meetings. The committee shall keep minutes of every meeting and shall provide a report of its activity at each Board meeting.
4. **Charters.** The Board will approve the charters of all Board committees. The charters will, among other things, provide for any purposes and duties of the committee required in the NASDAQ rules and other relevant laws and regulations.

I. Access to Management and Independent Advisors

1. **Access to Management.** The Board and each Board committee shall have complete access to management to the extent necessary for Directors to ask questions and gather the information required to fulfill their duties. Directors will consult with the Chief Executive Officer regarding contact with the Company's management and will structure such contact so as to minimize disruption of the Company's business.
2. **Access to Independent Advisors.** As necessary or appropriate to fulfill their duties, the Board and each Board committee shall have the power to hire, at the Company's expense, independent legal, financial, accounting, and other advisors.

J. Performance Evaluation of the Board, Board Committees and Directors

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The evaluation will include an assessment of the Board's contribution to the Company, compliance with these Guidelines, and assessment of areas in which the Board and each committee could improve. The evaluation will also include an assessment of individual Director's performance, which will be considered by the Nominating and Governance Committee when deciding whether to nominate the Director for re-election to the Board.

K. Election and Evaluation of Chief Executive Officer

1. **Selection and Evaluation.** The Board will select the Chief Executive Officer. Jointly with the Chairman, or, if the Chairman and Chief Executive Officer is the same person, the Lead Director, the Compensation Committee will conduct an annual evaluation of the performance of the Chief Executive Officer and report to the Board the results of that evaluation.
2. **Succession Plan.** The Nominating and Governance Committee will oversee and approve the Chief Executive Officer continuity planning process in consultation with the Chairman, or the Lead Director of the Board, if the Chairman and Chief Executive Officer is the same person. In this regard, the Nominating and Governance Committee will review and evaluate the succession plan relating to the Chief Executive Officer and make recommendation to the Board with respect to the succession plan.

L. Communicating Concerns to the Board

Anyone who has a concern about the Company's conduct may communicate that concern directly to the Chief Executive Officer, any Director, and the Corporate Counsel. Anyone who has a concern about the Company's accounting, internal accounting controls, or auditing matters may communicate that concern directly to the chairman of the Audit Committee.

M. Amendment and Disclosure of Guidelines

1. **Amendment.** These Guidelines are subject to future amendments as the Board may find necessary or appropriate for the Company. The Nominating and Governance Committee shall review these Guidelines on at least an annual basis, and report to the Board with any recommendations it may have in connection therewith.
2. **Disclosure.** These Guidelines may be made available on the Company's website.
