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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

OR

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

Commission file number 1-10427

ROBERT HALF INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

Delaware	**94-1648752**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2884 Sand Hill Road, Suite 200, Menlo Park, California	**94025**
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: **(650) 234-6000**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value $.001 per Share	RHI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

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

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

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

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

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company. ☐ Yes ☒ No

As of June 30, 2021, the aggregate market value of the Common Stock held by non-affiliates of the registrant was approximately $9,676,365,011 based on the closing sale price on that date. This amount excludes the market value of 3,225,653 shares of Common Stock directly or indirectly held by registrant's directors and officers and their affiliates.

As of January 31, 2022, there were 110,685,988 outstanding shares of the registrant's Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement to be mailed to stockholders in connection with the registrant's annual meeting of stockholders, scheduled to be held in May 2022, are incorporated by reference in Part III of this report. Except as expressly incorporated by reference, the registrant's Proxy Statement shall not be deemed to be part of this report.

PART I

Item 1. Business

Robert Half International Inc. (the "Company") provides specialized staffing and risk consulting services through such divisions as *Accountemps®, Robert Half® Finance & Accounting, OfficeTeam®, Robert Half® Technology, Robert Half® Management Resources, Robert Half® Legal, The Creative Group®,* and *Protiviti®*. The Company, through its *Accountemps*, *Robert Half Finance & Accounting*, and *Robert Half Management Resources* divisions, is a specialized provider of contract, full-time, and senior-level project professionals in the fields of accounting and finance. *OfficeTeam* specializes in highly skilled contract, administrative support professionals. *Robert Half Technology* provides project and full-time technology professionals. *Robert Half Legal* provides contract, project, and full-time staffing of lawyers, paralegals and legal support personnel. *The Creative Group* provides creative, digital, marketing, advertising and public relations professionals. *Protiviti*, which began operations in 2002, is a global consulting firm that helps companies solve problems in finance, technology, operations, data, analytics, governance, risk and internal audit, and is a wholly-owned subsidiary of the Company.

The Company's business was originally founded in 1948. Prior to 1986, the Company was primarily a franchisor, under the names *Accountemps* and *Robert Half* (now called *Robert Half Finance & Accounting*), of offices providing temporary and full-time professionals in the fields of accounting and finance. Beginning in 1986, the Company and its current management embarked on a strategy of acquiring franchised locations. All of the franchises have been acquired. The Company believes that direct ownership of offices allows it to better monitor and protect the image of its trade names, promote a more consistent and higher level of quality and service throughout its network of offices and improve profitability by centralizing many of its administrative functions. Since 1986, the Company has significantly expanded operations at many of the acquired locations, opened many new locations and acquired other local or regional providers of specialized temporary service personnel. The Company has also expanded the scope of its services by launching the new product lines *OfficeTeam*, *Robert Half Technology*, *Robert Half Management Resources*, *Robert Half Legal* and *The Creative Group*.

In 2002, the Company hired more than 700 professionals who had been affiliated with the internal audit and business and technology risk consulting practice of Arthur Andersen LLP, including more than 50 individuals who had been partners of that firm. These professionals formed the base of the Company's Protiviti Inc. subsidiary. *Protiviti* has enabled the Company to enter the market for business consulting and internal audit services, and the Company believes this market offers synergies with its traditional lines of business.

Accountemps

Accountemps offers customers a reliable and economical means of dealing with uneven or peak workloads for accounting, finance, and bookkeeping personnel caused by such predictable events as vacations, taking inventories, tax work, month-end activities and special projects, and such unpredictable events as illness and emergencies. Businesses view the use of temporary employees as a means of controlling personnel costs and converting such costs from fixed to variable. The cost and inconvenience to clients of hiring and firing regular employees are eliminated by the use of *Accountemps* temporaries. The temporary workers are employees of *Accountemps* and are paid by *Accountemps*. The customer pays a fixed rate only for hours worked.

Accountemps clients may fill their regular employment needs by using an *Accountemps* employee on a trial basis and, if so desired, "converting" the temporary position to a regular position. The client typically pays a one-time fee for such conversions.

OfficeTeam

The Company's *OfficeTeam* division, which commenced operations in 1991, places temporary and full-time office and administrative personnel, ranging from executive and administrative assistants to receptionists and customer service representatives. *OfficeTeam* operates in much the same fashion as the *Accountemps* division.

Robert Half Finance & Accounting

Established in 1948, the Company's first division and specialized recruitment pioneer *Robert Half Finance & Accounting* specializes in the placement of full-time accounting, financial, tax and accounting operations personnel. Fees for successful placements are paid only by the employer and are generally a percentage of the new employee's annual compensation. No fee for placement services is charged to employment candidates.

Robert Half Technology

The Company's *Robert Half Technology* division, which commenced operations in 1994, specializes in providing information technology contract professionals, placing full-time employees, and offering managed services in areas ranging from multiple platform systems integration to end-user technical and desktop support, including specialists in software and application development, networking and cloud, systems integration and deployment, database design and administration, and security and business continuity.

Robert Half Legal

Since 1992, the Company has been placing temporary and full-time employees in attorney, paralegal, legal administrative and legal secretarial positions through its *Robert Half Legal* division. The legal profession's requirements (the need for confidentiality, accuracy and reliability, a strong drive toward cost-effectiveness, and frequent peak caseload periods) are similar to the demands of the clients of the *Accountemps* division. *Robert Half Legal* offers a full suite of legal staffing and consulting services to help organizations manage constantly changing workloads and access expertise across in-demand legal practice areas.

Robert Half Management Resources

The Company's *Robert Half Management Resources* division, which commenced operations in 1997, specializes in providing senior-level project professionals in the accounting, finance and business systems fields, including chief financial officers, controllers, senior financial analysts, internal auditors, and business systems analysts, for such tasks as financial systems conversions, business process re-engineering, business systems performance improvement and post-merger financial consolidation.

The Creative Group

The Creative Group division commenced operations in 1999 and specializes in identifying for its clients creative professionals in the areas of creative, digital, marketing, advertising and public relations. The division places contract and permanent employees in a variety of positions such as creative directors, graphic designers, web designers, media buyers, front end developers, copywriters, digital marketing managers, marketing analytics specialists, brand managers, and public relations specialists.

Protiviti

Protiviti is a global business consulting firm that delivers an expanding set of services across its defined solution offerings of internal audit, technology consulting, risk and compliance consulting, and business performance improvement. Protiviti and its independently owned Member Firms work collaboratively with its clients in over 25 countries to help them achieve their business objectives and deliver confidence in an ever-evolving dynamic business world. Serving organizations across industry sectors, clients range from high-growth, pre-public/transactional established start-ups to the largest global companies and government entities, across industries.

Marketing and Recruiting

The Company markets its staffing services to clients and employment candidates via both national and local advertising activities, including radio, digital advertising, job boards, alliance partners, and events. The Company also markets its services via its website, blog and mobile app as well as through targeted online tactics, email, and social media. Direct marketing to customers is a significant portion of the Company's total marketing efforts. Joint marketing arrangements have been entered into with major software manufacturers and typically provide for the development of proprietary skills tests, cooperative advertising, joint campaigns, and similar promotional activities. The Company also actively seeks endorsements and affiliations with professional organizations in the accounting and finance, technology, legal, and creative and marketing fields. The Company also conducts public relations activities designed to enhance public recognition of the Company and its services. Central to the public relations activities is research-based content, targeted media relations and thought leadership. Robert Half employees are encouraged to be active in civic organizations and industry trade groups in their local communities.

Protiviti markets its business consulting services to a variety of global clients in a range of industries. Industry and competency teams conduct targeted marketing efforts, locally, nationally and globally, including digital advertising, search advertising, email marketing, production of thought leadership, social media and live and virtual speaking events. *Protiviti* regularly conducts a variety of programs to share its insights with clients on current and emerging business issues. It conducts public relations activities, including distributing press releases, sharing proprietary research findings and providing subject-matter experts for press interviews designed to enhance recognition for the *Protiviti* brand, establish its expertise in key issues surrounding its businesses and promote its services. *Protiviti* promotes its brand name through digital and out-of-home advertising and its professional golf brand ambassador program. Protiviti regularly updates the services, value-added content and digital experience on the Protiviti websites globally. Employees are encouraged to be active in relevant social media communities, civic organizations and industry trade groups.

The Company and its subsidiaries own many trademarks, service marks and tradenames, including the *Robert Half® Finance & Accounting, Accountemps®, OfficeTeam®, Robert Half® Technology, Robert Half® Management Resources, Robert Half® Legal, The Creative Group®* and *Protiviti®* marks, which are registered in the United States and in a number of foreign countries.

Organization

Management of the Company's staffing operations is coordinated from its headquarters facilities in Menlo Park and San Ramon, California. The Company's headquarters provides support and centralized services to its offices in the administrative, marketing, public relations, accounting, information technology, training and legal areas, particularly as it relates to the standardization of the operating procedures of its offices. As of December 31, 2021, the Company conducted its staffing services operations through 321 offices in 42 states, the District of Columbia and 17 foreign countries. Office managers are responsible for most activities of their offices, including sales, local advertising and marketing and recruitment.

The day-to-day operations of *Protiviti* are managed by a chief executive officer and a senior management team with operational and administrative support provided by individuals located in San Ramon and Menlo Park, California. As of December 31, 2021, *Protiviti* had 64 offices in 24 states and 12 foreign countries.

Competition

The Company's staffing services face competition in attracting clients as well as skilled specialized employment candidates. The staffing business is highly competitive, with a number of firms offering services similar to those provided by the Company on a national, regional or local basis. In many areas, the local companies are the strongest competitors. The most significant competitive factors in the staffing business are price and the reliability of service, both of which are often a function of the availability and quality of personnel. The expanded acceptance of remote work creates significant opportunity for the Company. It brings together the Company's numerous strengths, including its global brand, global office network, global candidate database, and advanced AI-driven technologies and data analytics at the scale needed to excel at out-of-market recruitment and placements. This strengthens the Company's competitive position significantly since its traditionally toughest competitors, local and regional staffing firms, generally do not have these capabilities.

Protiviti faces competition in its efforts to attract clients, expand relationships with existing clients and win new business proposals. The global professional services business is highly competitive with a dynamic regulatory environment, disruptive new technologies, security and privacy concerns, and high demand for skilled professionals all driving significant opportunities. The principal competitors of *Protiviti* remain the "big four" accounting firms and other consultancies. Significant competitive factors include reputation, technology, tools, project methodologies, price of services and depth of skills of personnel. *Protiviti* believes its competitive strengths lie in the collaborative approach it takes to working with clients, which drives knowledge transfer, understanding of client issues and value creation. This may be coupled with a "configure-to-fit" resourcing model to create blended teams of full-time Protiviti professionals and engagement professionals from Robert Half's network of specialized talent to precisely match expertise, approach and people to the changing global needs of clients on consulting and managed solutions projects.

Human Capital Management

Employees. The Company has approximately 14,600 full-time internal staff, including approximately 5,700 employees engaged directly in Protiviti operations. In addition, the Company placed approximately 177,000 engagement professionals on assignments with clients during 2021. In 2020, the Company had approximately 13,000 full-time internal staff, including approximately 5,000 employees engaged directly in Protiviti operations. In 2020, the Company placed approximately 150,500 engagement professionals on assignments with clients. The substantial majority of engagement professionals placed on assignment by the Company are the Company's legal employees while they are working on assignments. The Company pays the related costs of employment, such as workers' compensation insurance, state and federal unemployment taxes, social security and certain fringe benefits. The Company provides access to voluntary health insurance coverage to interested employees.

Diversity, Equity and Inclusion. The Company believes that its rich culture of diversity, equity and inclusion enables it to leverage the strengths of its workforce while also creating an environment where employees can connect, thrive and grow. In 2021, we continued our support of the CEO Action for Diversity & Inclusion pledge and furthered our commitment to advancing diversity, equity and inclusion by signing joint pledges with Ascend and Disability:IN.

Current key initiatives include a companywide Diversity and Inclusion education series, the creation of Employee Network Groups ("ENGs") as business resource groups, and a focus on external strategic partnerships to increase engagement and representation of underrepresented communities. The Company places a high value on inclusion, engaging employees in its ENG programs staffed by employees with diverse backgrounds, experiences or characteristics who share a common interest in professional development, improving corporate culture, and delivering sustained business results. In 2021, Robert Half launched the LGBTQIA+ and Global Women Employee Network Groups, joining existing groups for Black, Asian, and Hispanic/Latinx communities. Protiviti has a number of ENGs that have existed for several years. The Company uses these groups to serve as a source of inclusion and to support the acquisition of diverse talent internally and externally. Each ENG is sponsored and supported by senior leaders across the enterprise.

Across both Robert Half and Protiviti, as of December 31, 2021, approximately 55% of the Company's global workforce was female and 47% of the Company's employees in managerial and leadership roles were female. As of December 31, 2021, approximately 33% of the Company's U.S. workforce were from underrepresented groups.

Employee Engagement. As part of the Robert Half employee voice initiative to provide its employees with feedback opportunities, in 2021, the Company conducted three surveys throughout the year to understand employee needs and support employees during the pandemic. The survey results were analyzed by an independent third-party and then reviewed by the executive officers. The results of this engagement survey were shared with individual managers, who were then tasked with taking action based on their employees' confidential feedback (both quantitative and qualitative). In 2021, Robert Half also sent out new hire surveys at specific points in a new hire's onboarding as well as departure surveys to selected employees. By paying close attention to the results both at an aggregate enterprise level and at a department/business/workgroup level, and an employee's life cycle with Robert Half, the Company has been able to enhance its culture of rewards and recognition, drive efforts to promote inclusion and diversity, increase communication in support of employee well-being and modernize its approach to foster a culture of continuous learning and feedback. Protiviti leverages surveys in the United States and internationally, including the Great Place to Work survey.

Learning and Development. The Company emphasizes employee development and training as a priority for the organization. Training and development are key elements to the overall retention, engagement, and employee experience strategy. Our strategy is designed to empower employees to reach their full potential, and we provide a wide range of development programs, opportunities and resources needed to be successful. The Company has specialized programs for all audiences, including new hires, tenured employees and leadership. We provide a variety of learning channels including instructor-led, facilitated custom workshops, leader-led, cohort and mentorships, self-paced, e-learning and a catalog of vendor-provided courses, videos, resources, and books. The Company is committed to its employees' overall health and providing career progression by providing individual development, readiness, and transition plans as a part of its talent review and succession planning process. As a result of the pandemic, our learning strategy has pivoted to a virtual/hybrid approach. This has allowed us to expand our offerings and reach through a virtual delivery model. In 2021, we also launched a virtual-facilitated onboarding program as onboarding new employees virtually needs to be more planned, structured and engaging. As a result of the shift in our learning programs to a virtual/hybrid approach, employees have increased access and a closer connection to the Company's learning programs. In 2021, approximately 10,432 employees engaged with the Company's learning program virtually.

Compensation, Benefits and Well-being. The Company offers fair, competitive compensation and benefits that support its employees' overall well-being. To ensure alignment with management's short- and long-term objectives, the Company's compensation programs for all employees include competitive base pay and short-term and long-term incentives for some of its employees. The Company offers a wide array of benefits including comprehensive health and welfare insurance, generous time-off and leave, and retirement and financial support. The Company provides emotional well-being services through its Employee Assistance Program as well as a number of perks and other convenience benefits.

In response to the coronavirus ("COVID-19") pandemic, the enterprise implemented significant changes. We provided all employees with the unconditional opportunity to work from home and the vast majority did so. We also implemented additional safety measures for employees continuing critical on-site work. The Company also ensured employees received unlimited paid time off to care for themselves or their families who were impacted by COVID-19, whether due to illness, quarantine, or lack of childcare resources.

Other Information

The Company is not dependent upon a single customer or a limited number of customers. The Company's staffing services operations are generally more active in the first and fourth quarters of a calendar year. *Protiviti* is generally more active in the third and fourth quarters of a calendar year. Order backlog is not a material aspect of the Company's staffing services business. Backlog is of greater importance to Protiviti and is typically realized within a 12-month period.

The Company conducts business under various federal, state, and local government contracts, no one such contract represents more than two percent of total service revenues in 2021.

Available Information

The Company's Internet address is *www.roberthalf.com*. The Company makes available, free of charge, through its website, its Annual Reports on Form 10-K, proxy statements for its annual meetings of stockholders, its Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, and any amendments to those reports, as soon as is reasonably practicable after such reports are filed with or furnished to the Securities and Exchange Commission. Also available on the Company's website are its Corporate Governance Guidelines, its Code of Business Conduct and Ethics, and the charters for its Audit Committee, Compensation Committee, and Nominating and Governance Committee, each of which is available in print to any stockholder who makes a request to Robert Half International Inc., 2884 Sand Hill Road, Suite 200, Menlo Park, CA 94025, Attn: Corporate Secretary. The Company's Code of Business Conduct and Ethics is the Code of Ethics required by Item 406 of Securities and Exchange Commission Regulation S-K. The Company intends to satisfy any disclosure obligations under Item 5.05 of Form 8-K regarding any amendment or waiver relating to its Code of Business Conduct and Ethics by posting such information on its website. The Company has used, and intends to continue to use, its website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. The Company's website, and the information contained therein or connected to or linked from the website, are not incorporated information and do not constitute part of this Annual Report.

Government Regulations

Our operations are subject to regulations by federal, state, local and professional governing bodies, and laws and regulations in various foreign countries, including, but not limited to, (a) licensing and registration requirements and (b) regulation of the employer/employee relationship, such as worker classification regulations, wage and hour regulations, tax withholding and reporting, immigration regulations, social security and other retirement, anti-discrimination, and employee benefits and workers' compensation regulations. Our operations could be impacted by legislative changes by these bodies, particularly with respect to provisions relating to payroll and benefits, tax and accounting, employment, worker classification and data privacy. Due to the complex regulatory environment that we operate in, we remain focused on compliance with governmental and professional organizations' regulations. For more discussion of the potential impact that the regulatory environment could have on our financial results, refer to Item 1A "Risk Factors."

Item 1A. Risk Factors

The Company's business prospects are subject to various risks and uncertainties that impact its business. The most important of these risks and uncertainties are as follows:

Risks Related to the Company's Business Environment

Any reduction in global economic activity may harm the Company's business and financial condition. The demand for the Company's services, in particular its staffing services, is highly dependent upon the state of the economy and upon the staffing needs of the Company's clients. In the recent past, certain of the Company's markets experienced economic uncertainty characterized by increasing unemployment, limited availability of credit and decreased consumer and business spending. In addition, certain geopolitical events, including the spread of COVID-19 and the United Kingdom's withdrawal from the European Union ("Brexit"), have caused significant economic, market, political and regulatory uncertainty in some of the Company's markets. Any decline in the economic condition or employment levels of the U.S. or of any of the foreign countries in which the Company does business, or in the economic condition of any region of any of the foregoing, or in any specific industry may severely reduce the demand for the Company's services and thereby significantly decrease the Company's revenues and profits. Further, continued or intensifying economic, political or regulatory uncertainty in the Company's markets could reduce demand for the Company's services.

The Company's business depends on a strong reputation and anything that harms its reputation will likely harm its results. As a provider of temporary and permanent staffing solutions as well as consultant services, the Company's reputation is dependent upon the performance of the employees it places with its clients and the services rendered by its consultants. The Company depends on its reputation and name recognition to secure engagements and to hire qualified employees and consultants. If the Company's clients become dissatisfied with the performance of those employees or consultants or if any of those employees or consultants engage in or are believed to have engaged in conduct that is harmful to the Company's clients, the Company's ability to maintain or expand its client base may be harmed.

The Company faces risks in operating internationally. The Company depends on operations in international markets for a significant portion of its business. These international operations are subject to a number of risks, including general political and economic conditions in those foreign countries, the burden of complying with various foreign laws and technical standards and unpredictable changes in foreign regulations, U.S. legal requirements governing U.S. companies operating in foreign countries, legal and cultural differences in the conduct of business, potential adverse tax consequences and difficulty in staffing and managing international operations. In addition, the Company's business may be affected by foreign currency exchange fluctuations. In particular, the Company is subject to risk in translating its results in foreign currencies into the U.S. dollar. If the value of the U.S. dollar strengthens relative to other currencies, the Company's reported income from these operations could decrease. The value of the U.S. dollar has recently weakened against a number of major foreign currencies, but an increase in strength relative to these other currencies could adversely impact the Company's reported income from its international markets and cause its revenue in such markets, when translated into U.S. dollars, to decline.

Significant U.K. or European developments stemming from the U.K.'s decision to withdraw from the European Union could have a material adverse effect on the Company. In the past several years, the European market experienced economic uncertainty, which adversely affected, and the return of which may in the future adversely affect, the Company's operations in Europe. In particular, Brexit has contributed to, and may continue to contribute to, European economic, market and regulatory uncertainty and could adversely affect European or worldwide economic, market, regulatory, or political conditions. To the extent that adverse economic conditions and uncertainty in Europe (related to Brexit or otherwise) worsen, demand for the Company's services may decline, which could significantly harm its business and results of operations.

The currently evolving situation of the outbreak of a novel coronavirus disease ("*COVID-19*"*) has impacted demand for the Company's services, disrupted the Company's operations and may continue to do so.* The COVID-19 outbreak emerged as a serious threat to the health and economic well-being of the Company's clients, candidates, employees, and the overall economy. At various times during the outbreak, many counties, states and countries took dramatic action including, without limitation, ordering all nonessential workers to stay home, mandating the closure of schools and nonessential business premises and imposing isolation measures on large portions of the population. These measures, while intended to protect human life, had serious adverse impacts on domestic and foreign economies and may do so in the future if they are continued or reintroduced.

The COVID-19 pandemic has created significant uncertainty and volatility in the Company's business. Initially it caused a dramatic increase in unemployment in the United States and in certain other regions in which the Company operates, and mandated business closures and slowing economic activity reduced the use of temporary workers and reduced businesses' recruitment of new employees resulting in less demand for the Company's services. During 2021, however, demand for workers and the Company's services increased significantly as economic activity recovered, worksites reopened, and many business sought to restore or expand workforces that had shrunk during the course of the pandemic. There can be no assurance, however, that this increased demand for workers and the Company's services will be sustained. Furthermore, the emergence of new variants of the coronavirus or of other illnesses may cause a rapid deterioration of economic conditions and the financial and credit markets, which could have a material adverse impact on the Company's business, financial condition, results of operations and cash flows.

The Company has transitioned a significant number of the Company's employee population to a remote work environment in an effort to mitigate the spread of COVID-19. This transition to remote working and the spread of COVID-19 may negatively impact the availability of key personnel necessary to conduct the Company's business and the business and operations of the Company's third-party service providers who perform critical services for the Company's business. This transition to remote working has also increased the Company's vulnerability to risks related to the Company's computer and communications hardware and software systems and exacerbated certain related risks, including risks of phishing and other cybersecurity attacks.

The Company is continuing to monitor the spread of COVID-19, including the emerging variants of the disease, and related risks, including risks related to efforts to mitigate the disease's spread. The rapid development and fluidity of the situation, however, precludes any prediction as to its ultimate impact on us. The emergence of new variants of the coronavirus or of other illnesses may adversely impact global economies and financial markets resulting in an economic downturn that would likely impact demand for the Company's services. While the Company has navigated the COVID-19 pandemic thus far, its continuation or worsening may have a negative impact on the Company's business.

Any of the above factors, or other cascading effects of the COVID-19 pandemic that are not currently foreseeable, could materially increase the Company's costs, severely negatively impact the Company's revenue, net income, and other results of operations, and impact the Company's liquidity position. The duration of any such impacts cannot be predicted, and such impacts may also have the effect of heightening many of the other material risks the Company faces.

Natural disasters and unusual weather conditions, pandemic outbreaks, terrorist acts, global political events and other serious catastrophic events could disrupt business and otherwise materially adversely affect the Company's business and financial condition. With operations in many states and multiple foreign countries, the Company is subject to numerous risks outside of the Company's control, including risks arising from natural disasters, such as fires, earthquakes, hurricanes, floods, tornadoes, unusual weather conditions, pandemic outbreaks such as the COVID-19 pandemic and other global health emergencies, terrorist acts or disruptive global political events, or similar disruptions that could materially adversely affect the

Company's business and financial performance. Historically, the Company’s operations are heavily dependent on the ability of employees and consultants to travel from business to business and from location to location. Any public health emergencies, including a real or potential global pandemic such as those caused by the avian flu, SARS, Ebola, coronavirus, or even a particularly virulent flu, could decrease demand for the Company's services and the Company's ability to offer them. Uncharacteristic or significant weather conditions may increase in frequency or severity due to climate change and can affect travel and the ability of businesses to remain open, which could lead to decreased ability to offer the Company's services and materially adversely affect the Company's short-term results of operations. In addition, these events could result in delays in placing employees and consultants, the temporary disruption in the transport of employees and consultants overseas and domestically, the inability of employees and consultants to reach or have transportation to clients directly affected by such events and disruption to the Company's information systems. Although it is not possible to predict such events or their consequences, these events could materially adversely affect the Company's reputation, business and financial condition.

Risks Related to the Company’s Operations

The Company may be unable to find sufficient candidates for its staffing business. The Company’s staffing services business consists of the placement of individuals seeking employment. There can be no assurance that candidates for employment will continue to seek employment through the Company. Candidates generally seek temporary or regular positions through multiple sources, including the Company and its competitors. Before the COVID-19 pandemic, unemployment in the United States was at historic lows and during the second half of 2021, as the economy recovered, competition for workers in a number of industries became intense. When unemployment levels are low, finding sufficient eligible candidates to meet employers’ demands is more challenging. At various times during the pandemic, this challenge has been exacerbated by the withdrawal of some workers from the labor pool, whether due to health concerns, school and daycare closures or other reasons. Any resurgence of COVID-19 may adversely impact the Company's ability to recruit sufficient candidates for certain industries or regions in which the Company operates. Any shortage of candidates could materially adversely affect the Company.

The Company operates in a highly competitive business and may be unable to retain clients or market share. The staffing services business is highly competitive and, because it is a service business, the barriers to entry are quite low. There are many competitors, some of which have greater resources than the Company, and new competitors are entering the market all the time. In addition, long-term contracts form a negligible portion of the Company’s revenue. Therefore, there can be no assurance that the Company will be able to retain clients or market share in the future. Nor can there be any assurance that the Company will, in light of competitive pressures, be able to remain profitable or, if profitable, maintain its current profit margins.

The Company may incur potential liability to employees and clients. The Company’s temporary services business entails employing individuals on a temporary basis and placing such individuals in clients’ workplaces. The Company’s ability to control the workplace environment is limited. As the employer of record of its temporary employees, the Company incurs a risk of liability to its temporary employees for various workplace events, including claims of physical injury, discrimination, harassment or failure to protect confidential personal information. Furthermore, as the employer of record for some individuals who have been placed in client workplaces where exposure to COVID-19 is possible, the Company may be subject to risk of liability should such employees allege their workplaces failed to adequately mitigate the risk of exposure to COVID-19. In addition, in order to facilitate remote working arrangements, some of the Company’s temporary workers are accessing client workspaces from their personal devices through cloud-based systems, which could increase cybersecurity risks to the Company’s clients for which they may hold the Company liable. While such claims have not historically had a material adverse effect upon the Company, there can be no assurance that such claims in the future will not result in adverse publicity or have a material adverse effect upon the Company. The Company also incurs a risk of liability to its clients resulting from allegations of errors, omissions or theft by its temporary employees, or allegations of misuse of client confidential information. In some cases, the Company has agreed to indemnify its clients in respect of these types of claims. The Company maintains insurance with respect to many of such claims. While such claims have not historically had a material adverse effect upon the Company, there can be no assurance that the Company will continue to be able to obtain insurance at a cost that does not have a material adverse effect upon the Company or that such claims (whether by reason of the Company not having sufficient insurance or by reason of such claims being outside the scope of the Company’s insurance) will not have a material adverse effect upon the Company.

The Company is dependent on its management personnel and employees and a failure to attract and retain such personnel could harm its business. The Company is engaged in the services business. As such, its success or failure is highly dependent upon the performance of its management personnel and employees, rather than upon technology or upon tangible assets (of which the Company has few). There can be no assurance that the Company will be able to attract and retain the personnel that are essential to its success.

The Company’s results of operations and ability to grow could be materially negatively affected if it cannot successfully keep pace with technological changes impacting the development and implementation of its services and the evolving needs of *its clients.* The Company's success depends on its ability to keep pace with rapid technological changes affecting both the development and implementation of its services and the staffing needs of its clients. Technological advances such as artificial intelligence, machine learning, and automation are impacting industries served by all the Company's lines of business. In addition, the Company's business relies on a variety of technologies, including those that support hiring and tracking, order management, billing, and client data analytics. If the Company does not sufficiently invest in new technology and industry developments, appropriately implement new technologies, or evolve its business at sufficient speed and scale in response to such developments, or if it does not make the right strategic investments to respond to these developments, the Company's services, results of operations, and ability to develop and maintain its business could be negatively affected.

The demand for the Company's services related to regulatory compliance may decline. The operations of both the staffing services business and *Protiviti* include services related to Sarbanes-Oxley, Anti-Money Laundering Act of 2020 reviews ("AML"), and other regulatory compliance services. There can be no assurance that there will be ongoing demand for these services. For example, the Jumpstart Our Business Startup ("JOBS") Act, signed into law in April of 2012, allows most companies going public in the U.S. to defer implementation of some of the provisions of Sarbanes-Oxley for up to five years after their initial public offering. Similarly, a number of proposals have been recently or are currently being considered by the U.S. Congress to further delay or, in some cases, remove the requirements of Sarbanes-Oxley for a number of public companies. These or other similar modifications of the regulatory requirements could decrease demand for Protiviti's services.

Demand for the Company's services from government and public sector clients related to the COVID-19 pandemic may decrease over time. The Company has reported increased business from services rendered to the public sector during the pandemic due to, among other developments, the volume of unemployment claims and housing assistance claims, as well as the demands faced by public school districts that must meet the technical support requirements of virtual learning models. Additional business with public sector clients not directly related to the COVID-19 pandemic has been reported in 2021. The pandemic-related services and other work for public sector clients has contributed to the Company's revenue over the past year. It is unknown to what extent business with state, local and other public sector clients may decrease as the effects of the pandemic lessen or change over time. Demand for the Company's services from government and public sector clients may also fall as clients adapt to the effects of the pandemic and their needs evolve. The Company will continue to monitor the situation, but the future impact of the pandemic and its effects on the needs of the Company's clients are impossible to fully predict, and there can be no assurance that the Company's increased business in the public sector will be sustained.

Long-term contracts do not comprise a significant portion of the Company's revenue. Because long-term contracts are not a significant part of the Company's staffing services business, future results cannot be reliably predicted by considering past trends or extrapolating past results. Additionally, the Company's clients will frequently enter nonexclusive arrangements with several firms, which the client is generally able to terminate on short notice and without penalty. The nature of these arrangements further exacerbates the difficulty in predicting the Company's future results.

Protiviti may be unable to attract and retain key personnel. Protiviti is a services business and is dependent upon its ability to attract and retain qualified, skilled personnel. While *Protiviti* has retained its key personnel to date, there can be no assurance that it will continue to be able to do so.

Protiviti operates in a highly competitive business and faces competitors who are significantly larger and have more established reputations. Protiviti operates in a highly competitive business. As with the Company's staffing services business, the barriers to entry are quite low. There are many competitors, some of which have greater resources than *Protiviti* and many of which have been in operation far longer than *Protiviti*. In particular, *Protiviti* faces competition from the "big four" accounting firms, which have been in operation for a considerable period of time and have established reputations and client bases. Because the principal factors upon which competition is based are reputation, technology, tools, project methodologies, price of services and depth of skills of personnel, there can be no assurance that *Protiviti* will be successful in attracting and retaining clients or be able to maintain the technology, personnel and other requirements to successfully compete.

Protiviti's operations could subject it to liability. The business of *Protiviti* consists of providing business consulting and internal audit services. Liability could be incurred, or litigation could be instituted against the Company or *Protiviti* for claims related to these activities or to prior transactions or activities. There can be no assurance that such liability or litigation will not have a material adverse impact on *Protiviti* or the Company.

Legal and Regulatory Risks

The Company and certain subsidiaries are defendants in several lawsuits that could cause the Company to incur substantial liabilities. The Company and certain subsidiaries are defendants in several actual or asserted class and representative action lawsuits brought by or on behalf of the Company's current and former employees alleging violations of federal and state law with respect to certain wage and hour related matters, as well as claims challenging the Company's compliance with the

Fair Credit Reporting Act. The various claims made in one or more of such lawsuits include, among other things, the misclassification of certain employees as exempt employees under applicable law, failure to comply with wage statement requirements, failure to compensate certain employees for time spent performing activities related to the interviewing process, and other related wage and hour violations. Such suits seek, as applicable, unspecified amounts for unpaid overtime compensation, penalties, and other damages, as well as attorneys' fees. It is not possible to predict the outcome of these lawsuits. However, these lawsuits may consume substantial amounts of the Company's financial and managerial resources and might result in adverse publicity, regardless of the ultimate outcome of the lawsuits. In addition, the Company and its subsidiaries may become subject to similar lawsuits in the same or other jurisdictions, or to various other claims, disputes, and legal or regulatory proceedings that arise in the ordinary course of business. An unfavorable outcome with respect to these lawsuits and any future lawsuits or regulatory proceedings could, individually or in the aggregate, cause the Company to incur substantial liabilities or impact its operations in such a way that may have a material adverse effect upon the Company's business, financial condition or results of operations. Furthermore, any future lawsuits, claims, disputes, or legal or regulatory proceedings may also consume substantial amounts of the Company's financial and managerial resources and might result in adverse publicity, regardless of the ultimate outcome. In addition, an unfavorable outcome in one or more of these cases could cause the Company to change its compensation plans for its employees, which could have a material adverse effect upon the Company's business.

Government imposed vaccine mandates could have a material adverse impact on our business and results of operations. In September 2021, President Biden announced two executive orders related to vaccine mandates that would impact the Company's operations in the United States. The first executive order-- the OSHA Vaccination and Testing Emergency Temporary Standard ("ETS") — was blocked by a stay of enforcement by the United States Supreme Court on January 13, 2022. On January 25, 2022, the Department of Labor withdrew the ETS; however, OSHA could still pursue a vaccine mandate through the regular federal rulemaking process. A second Executive Order on Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors ("EO 14042") would apply to the Company as a federal contractor and subcontractor. EO 14042 is also subject to legal challenges and is currently subject to a nationwide injunction during the pendency of federal court proceedings. At this time, it is unclear, among other things, if or when any federal vaccine mandates may go into effect. Further, state and local governments in the United States and in international jurisdictions where we operate may implement vaccine mandates (currently New York City has a mandate) and it is not clear if such mandates will go into effect, or stay in effect; whether any will apply to all employees or only to employees who work in the office; and how compliance will be documented. Should such mandates apply to us, we may be required to implement a requirement that all of our employees get vaccinated, subject to limited exceptions. At this time, Protiviti has implemented a vaccine requirement for its operations; however, the Company's staffing operations do not have a vaccine requirement. Currently, it is not possible to predict the impact that a federal vaccine mandate, any other vaccine mandate, or a vaccine requirement should we elect to adopt one, will have on us or on our workforce. Any vaccine requirement or vaccine mandate, if implemented, may result in employee attrition; however, any failure to implement a vaccine requirement or mandate may also result in employee attrition or resistance to returning to onsite work, either of which could materially and adversely affect our business and results of operations.

Government regulations may result in prohibition or restriction of certain types of employment services or the imposition of additional licensing or tax requirements that may reduce the Company's future earnings. In many jurisdictions in which the Company operates, the employment services industry is heavily regulated. For example, governmental regulations in some countries restrict the length of contracts and the industries in which the Company's employees may be used. In other countries, special taxes, fees or costs are imposed in connection with the use of its employees. Additionally, trade unions in some countries have used the political process to target the industry in an effort to increase the regulatory burden and expense associated with offering or utilizing temporary staffing solutions.

The countries in which we operate may, among other things:

- create additional regulations that prohibit or restrict the types of employment services that the Company currently provides;
- require new or additional benefits be paid to the Company's employees;
- require the Company to obtain additional licensing to provide employment services; or
- increase taxes, such as sales or value-added taxes, payable by the providers of temporary workers.

Any future regulations may have a material adverse effect on the Company's business and financial results because they may make it more difficult or expensive for the Company to continue to provide employment services. Additionally, as the Company expands existing service offerings, adds new service offerings, or enters new markets, it may become subject to additional restrictions and regulations which may impede its business, increase costs and impact profitability.

The Company's business is subject to extensive government regulation and a failure to comply with regulations could harm its business. The Company's business is subject to regulation or licensing in many states in the U.S. and in certain foreign countries. While the Company has had no material difficulty complying with regulations in the past, there can be no assurance that the Company will be able to continue to obtain all necessary licenses or approvals or that the cost of compliance will not prove to be material. Any inability of the Company to comply with government regulation or licensing requirements could materially adversely affect the Company. Further, changes to existing regulation or licensing requirements could impose additional costs and other burdens or limitations on the Company's operations. In addition, the Company's temporary services business entails employing individuals on a temporary basis and placing such individuals in clients' workplaces. Increased government regulation of the workplace or of the employer-employee relationship, or judicial or administrative proceedings related to such regulation, could materially adversely affect the Company. In addition, to the extent that government regulation imposes increased costs upon the Company, such as unemployment insurance taxes, there can be no assurance that such costs will not adversely impact the Company's profit margins. Further, lawsuits or other proceedings related to the Company's compliance with government regulations or licensing requirements could materially adversely affect the Company. For example, the Company is currently named as a defendant in litigation challenging its compliance with the Fair Credit Reporting Act. It is not possible to predict the outcome of such litigation; however, such litigation or any future lawsuits or proceedings related to the Company's compliance with government regulation or licensing requirements could consume substantial amounts of the Company's financial and managerial resources and might result in adverse publicity, regardless of the ultimate outcome of any such lawsuits or other proceedings. An unfavorable outcome with respect to such litigation or any future lawsuits or proceedings could, individually or in the aggregate, cause the Company to incur substantial liabilities that may have a material adverse effect upon the Company's business, financial condition or results of operations.

If the Company fails to comply with Anti-Bribery Laws or economic sanction regulations, it could be subject to substantial fines or other penalties. In many parts of the world, including countries in which the Company operates and/or seeks to expand, practices in the local business community might not conform to international business standards and could violate the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption and anti-bribery laws and regulations ("Anti-Bribery Laws"). These laws generally prohibit companies, their employees and third-party intermediaries from authorizing, promising, offering, providing, soliciting or accepting, directly or indirectly, improper payments or benefits to or from any person whether in the public or private sector. In addition, the FCPA's accounting provisions require the Company to maintain accurate books and records and a system of internal accounting controls. Any violation of the FCPA or other applicable Anti-Bribery Laws could result in substantial fines, sanctions or civil and/or criminal penalties, debarment from business dealings with certain governments or government agencies or restrictions on the marketing of the Company's products in certain countries, which could harm the Company's business, financial condition or results of operations.

Additionally, the U.S. Department of the Treasury's Office of Foreign Assets Control and other relevant agencies of the U.S. government administer certain laws and regulations that restrict U.S. persons and, in some instances, non-U.S. persons, from conducting activities, transacting business with or making investments in certain countries, or with governments, entities and individuals, subject to U.S. economic sanctions. Similar economic sanctions are imposed by the European Union and other jurisdictions. The Company's international operations subject it to these laws and regulations, which are complex, restrict the Company's business dealings with certain countries, governments, entities and individuals, and are constantly changing. Penalties for noncompliance with these complex laws and regulations can be significant and include substantial fines, sanctions or civil and/or criminal penalties, and violations can result in adverse publicity, which could harm the Company's business, financial condition or results of operations.

Although the Company has implemented policies and procedures designed to ensure compliance with Anti-Bribery Laws, economic sanctions, and other laws and regulations, the Company cannot be sure that its employees, agents or other third parties will not violate such policies or applicable laws and regulations. Any such violations could result in significant fines and penalties, criminal sanctions against the Company, its officers or its employees, prohibitions on the conduct of its business, and materially damage the Company's reputation, brand, business and operating results. Further, detecting, investigating and resolving actual or alleged violations is expensive and can consume significant time and attention of the Company's senior management.

Health care reform could increase the costs of the Company's temporary staffing operations. In March 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (the "PPACA") was signed into law in the United States. In 2015, the Company redesigned its employee benefits to offer health insurance coverage to its temporary candidates in order to meet the requirements of the PPACA's employer mandate.

The U.S. Congress has made several attempts to repeal or modify the PPACA and in 2020, the United States Supreme Court heard an appeal of a decision from the U.S. Court of Appeals for the Fifth Circuit that invalidated significant portions of the PPACA. It is unclear at this point what the scope of any such future legislation will be and when it will become effective. Because of the uncertainty surrounding proposed replacement health care reform legislation or any modifications to such legislation to deal with these court challenges, the Company cannot predict with any certainty the likely impact of the PPACA's repeal or the adoption of any other health care reform legislation on the Company's financial condition or operating results.

Whether or not there is alternative health care legislation enacted in the U.S., there is likely to be significant disruption to the health care market in the coming months and years, and the costs of the Company's health care expenditures may increase.

Risks Related to the Company's Information Technology, Cybersecurity and Data Protection

The Company's computer and communications hardware and software systems are vulnerable to damage and interruption. The Company's ability to manage its operations successfully is critical to its success and largely depends upon the efficient and uninterrupted operation of its computer and communications hardware and software systems, some of which are managed by third-party vendors. The Company's primary computer systems and operations are vulnerable to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches, catastrophic events and errors in usage by the Company's employees and those of the Company's vendors.

The Company's employees or vendors may have access or exposure to personally identifiable or otherwise confidential information and customer data and systems, the misuse of which could result in legal liability. Cyberattacks, including attacks motivated by grievances against the business services industry in general or against the Company in particular, may disable or damage its systems. It is possible that the Company's security controls or those of its third-party vendors over personal and other data, and other practices it follows, may not prevent the improper access to or disclosure of personally identifiable or otherwise confidential information. Such disclosure or damage to the Company's systems could harm its reputation and subject it to government sanctions and liability under its contracts and laws that protect personal data and confidential information, resulting in increased costs or loss of revenue. The potential risk of security breaches and cyberattacks may increase as the Company introduces new service offerings.

Changes in data privacy and protection laws and regulations in respect of control of personal information could increase the Company's costs or otherwise adversely impact its operations. In the ordinary course of business, the Company collects, uses, and retains personal information from its employees, employment candidates, and contractors, including, without limitation, full names, government-issued identification numbers, addresses, birthdates, and payroll-related information. The possession and use of personal information in conducting the Company's business subjects it to a variety of complex and evolving domestic and foreign laws and regulations regarding data privacy, protection and security, which, in many cases, apply not only to third-party transactions, but also to transfers of information among the Company and its subsidiaries. For example, the European Union's General Data Protection Regulation ("GDPR"), which became effective in May 2018, imposes stringent operational requirements for entities processing personal information, such as strong safeguards for data transfers to countries outside the European Union and strong enforcement authorities and mechanisms. Complying with the enhanced obligations imposed by the GDPR and other current and future laws and regulations relating to data transfer, residency, privacy and protection has increased and may continue to increase the Company's operating costs and require significant management time and attention, while any failure by the Company or its subsidiaries to comply with applicable laws could result in governmental enforcement actions, fines, and other penalties that could potentially have an adverse effect on the Company's operations and reputation.

Risks Related to the Company's Internal Controls and Accounting Policies

Failure to maintain adequate financial and management processes and controls could lead to errors in the Company's financial reporting. Failure to maintain adequate financial and management processes and controls could lead to errors in the Company's financial reporting. If the Company's management is unable to certify the effectiveness of its internal controls or if its independent registered public accounting firm cannot render an opinion on the effectiveness of its internal control over financial reporting, or if material weaknesses in the Company's internal controls are identified, the Company could be subject to regulatory scrutiny and a loss of public confidence. In addition, if the Company does not maintain adequate financial and management personnel, processes and controls, it may not be able to accurately report its financial performance on a timely basis, which could cause its stock price to fall.

Failure to identify and respond to risk issues in a timely manner could have a material adverse effect on the Company's business. Although the Company has processes in place to attempt to identify and respond to risk issues in a timely manner, the Company's efforts may not be sufficient.

The collective impact of the tone at the top, tone in the middle and tone at the bottom on risk management, compliance and responsible business behavior has a huge effect on timely escalation of risk issues, particularly those affecting core operations. The Company's processes, corporate culture and general ethical climate may not be sufficient to ensure timely identification and escalation of significant risk issues.

General Risk Factors

U.S. federal tax regulations and interpretations could adversely affect the Company. On December 22, 2017, the Tax Cuts and Jobs Act (the "TCJA") was signed into law. Notwithstanding the reduction in the corporate income tax rate, the overall impact of these changes on the Company's results of operations will likely evolve as new regulations and interpretations relating to the TCJA are implemented. In addition, various political figures have pledged their support to overturning or modifying key aspects of the TCJA which could further increase the uncertainty relating to the impact of this or any future tax legislation on the Company's results of operations.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties

The Company's headquarters operations are located in Menlo Park and San Ramon, California. As of December 31, 2021, temporary and permanent placement activities were conducted through 321 offices located in the United States, Canada, the United Kingdom, Belgium, Brazil, France, the Netherlands, Germany, Luxembourg, Switzerland, Japan, China, Singapore, Australia, New Zealand, Austria, the United Arab Emirates, and Chile. As of December 31, 2021, *Protiviti* had 64 offices in the United States, Canada, Australia, China, France, Germany, Italy, the Netherlands, Japan, Singapore, India, Switzerland and the United Kingdom. All of the offices are leased.

Item 3. Legal Proceedings

On March 23, 2015, Plaintiff Jessica Gentry, on her own behalf and on behalf of a putative class of allegedly similarly situated individuals, filed a complaint against the Company in the Superior Court of California, San Francisco County, which was subsequently amended on October 23, 2015. The complaint alleges that a putative class of current and former employees of the Company working in California since March 13, 2010 were denied compensation for the time they spent interviewing "for temporary and permanent employment opportunities" as well as performing activities related to the interview process. Gentry seeks recovery on her own behalf and on behalf of the putative class in an unspecified amount for this allegedly unpaid compensation. Gentry also seeks recovery of an unspecified amount for the alleged failure of the Company to provide her and the putative class with accurate wage statements. Gentry also seeks an unspecified amount of other damages, attorneys' fees, and statutory penalties, including penalties for allegedly not paying all wages due upon separation to former employees and statutory penalties on behalf of herself and other allegedly "aggrieved employees" as defined by California's Labor Code Private Attorneys General Act ("PAGA"). On January 4, 2016, the Court denied a motion by the Company to compel all of Gentry's claims, except the PAGA claim, to individual arbitration. At this stage of the litigation, it is not feasible to predict the outcome of or a range of loss, should a loss occur, from this proceeding and, accordingly, no amounts have been provided in the Company's Financial Statements. The Company believes it has meritorious defenses to the allegations and the Company intends to continue to vigorously defend against the litigation.

On April 6, 2018, Plaintiff Shari Dorff, on her own behalf and on behalf of a putative class of allegedly similarly situated individuals, filed a complaint against the Company in the Superior Court of California, County of Los Angeles. In addition to certain claims individual to Plaintiff Dorff, the complaint alleges that salaried recruiters based in California have been misclassified as exempt employees and seeks an unspecified amount for: unpaid wages resulting from such alleged misclassification; alleged failure to provide a reasonable opportunity to take meal periods and rest breaks; alleged failure to pay wages on a timely basis both during employment and upon separation; alleged failure to comply with California requirements regarding wage statements and record-keeping; and alleged improper denial of expense reimbursement. Plaintiff Dorff also seeks an unspecified amount of other damages, attorneys' fees, and penalties, including but not limited to statutory penalties on behalf of herself and other allegedly "aggrieved employees" as defined by PAGA. At this stage of the litigation, it is not feasible to predict the outcome of or a range of loss, should a loss occur, from this proceeding and, accordingly, no amounts have been provided in the Company's Financial Statements. The Company believes it has meritorious defenses to the allegations and the Company intends to continue to vigorously defend against the litigation.

On February 9, 2022 the Company received notice of a complaint filed by Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as the Statutory Rehabilitator of Senior Health Insurance Company of Pennsylvania. The complaint filed on January 28, 2022, in the Commonwealth Court of Pennsylvania names certain former executive officers of Senior Health Insurance Company of Pennsylvania ("SHIP") and Protiviti Inc., a subsidiary of the Company, as defendants. The case arises from the financial deterioration of SHIP, a life insurance company that administers long term care insurance policies. The claims asserted against Protiviti are primarily connected to its role and its performance of limited agreed upon procedures regarding certain SHIP investments. Plaintiff seeks judgment in excess of $500 million against the defendants in the case. Given the timing of notice of this lawsuit, the Company has not completed a review of the claims, or an assessment of the potential liability asserted in the pleadings. At this stage of the litigation, it is not feasible to predict the outcome or range of loss, should a loss occur, from this proceeding and, accordingly, no amounts have been reserved in the Company's Financial Statements. Based on the Company's initial review of the claims, the Company believes it has meritorious defenses to the allegations and intends to vigorously defend against the litigation.

The Company is involved in a number of other lawsuits arising in the ordinary course of business. While management does not expect any of these other matters to have a material adverse effect on the Company's results of operations, financial position or cash flows, litigation is subject to certain inherent uncertainties.

Legal costs associated with the resolution of claims, lawsuits and other contingencies are expensed as incurred.

Item 4. Mine Safety Disclosure

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Price, Dividends and Related Matters

The Company's Common Stock is listed for trading on the New York Stock Exchange under the symbol "RHI". On January 31, 2022, there were 1,185 holders of record of the Common Stock.

Issuer Purchases of Equity Securities

	Total Number of Shares Purchased		Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under Publicly Announced Plans (b)
October 1, 2021 to October 31, 2021	—		$ —	—	7,694,176
November 1, 2021 to November 30, 2021	259,591		$ 116.02	259,591	7,434,585
December 1, 2021 to December 31, 2021	376,471	(a)	$ 108.61	282,892	7,151,693
Total October 1, 2021 to December 31, 2021	636,062			542,483	

(a) Includes 93,579 shares repurchased in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of applicable withholding taxes.

(b) Commencing in October 1997, the Company's Board of Directors has, at various times, authorized the repurchase, from time to time, of the Company's common stock on the open market or in privately negotiated transactions depending on market conditions. Since plan inception, a total of 128,000,000 shares have been authorized for repurchase of which 120,848,307 shares have been repurchased as of December 31, 2021.

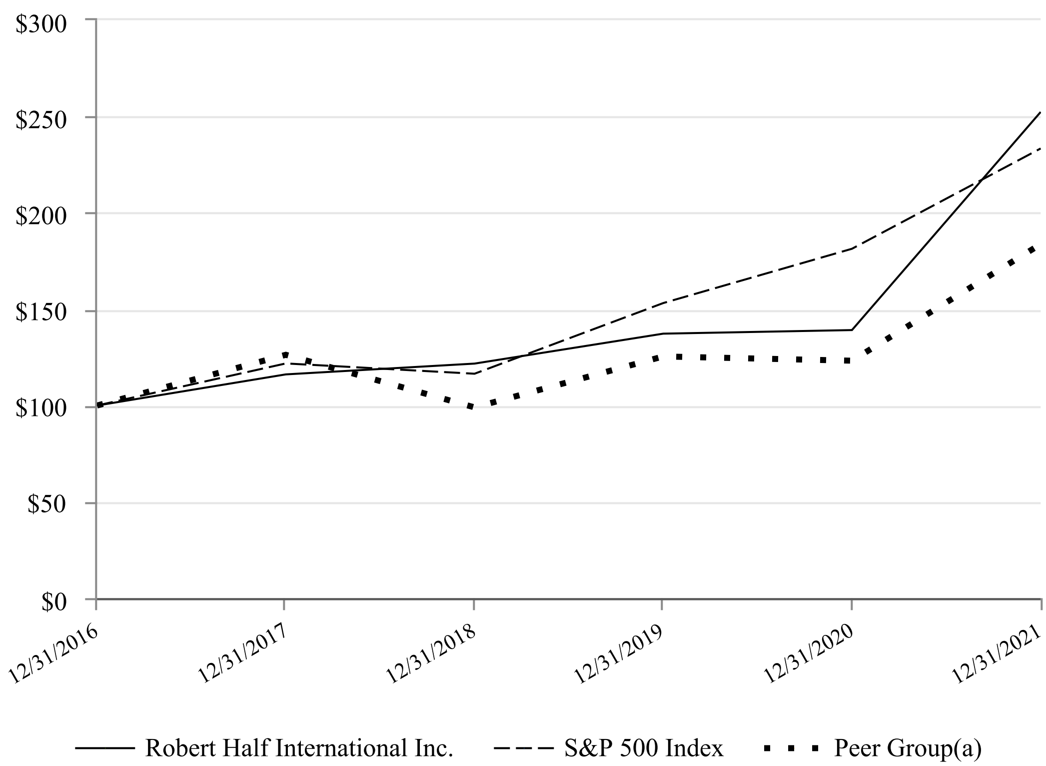
Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights A	Weighted average exercise price of outstanding options, warrants and rights B	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A) C
Equity compensation plans approved by security holders	—	—	3,945,882
Equity compensation plans not approved by security holders	—	—	—
Total	—	—	3,945,882

Since May 2005, all grants have been made pursuant to the Stock Incentive Plan, which was approved by stockholders in May 2005 and re-approved in May 2008, May 2011, May 2013, May 2014, and May 2019. Such plan authorizes the issuance of stock options, restricted stock, stock units and stock appreciation rights to directors, executive officers and employees.

Stock Performance Graph

The following graph compares, through December 31, 2021, the cumulative total return of the Company's Common Stock, an index of certain publicly traded employment services companies, and the S&P 500. The graph assumes the investment of $100 at the beginning of the period depicted in the chart and reinvestment of all dividends. The peer companies are weighted by their respective market caps at the beginning of each period. The information presented in the graph was obtained by the Company from outside sources it considers to be reliable but has not been independently verified by the Company.



(a) This index represents the cumulative total return of the Company and the following corporations providing temporary or permanent employment services: Kelly Services, Inc.; Kforce Inc.; ManpowerGroup; and Resources Connection Inc.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain information contained in Management's Discussion and Analysis and in other parts of this report may be deemed forward-looking statements regarding events and financial trends that may affect the future operating results or financial positions of Robert Half International Inc. (the "Company"). These statements may be identified by words such as "estimate," "forecast," "project," "plan," "intend," "believe," "expect," "anticipate," or variations or negatives thereof or by similar or comparable words or phrases. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the statements. These risks and uncertainties include, but are not limited to, the following: changes to or new interpretations of U.S. or international tax regulations, the global financial and economic situation; the duration and impact of the COVID-19 pandemic and efforts to mitigate its spread; changes in levels of unemployment and other economic conditions in the United States or foreign countries where the Company does business, or in particular regions or industries; reduction in the supply of candidates for contract employment or the Company's ability to attract candidates; the entry of new competitors into the marketplace or expansion by existing competitors; the ability of the Company to maintain existing client relationships and attract new clients in the context of changing economic or competitive conditions; the impact of competitive pressures, including any change in the demand for the Company's services, on the Company's ability to maintain its margins; the possibility of the Company incurring liability for its activities, including the activities of its engagement professionals, or for events impacting its engagement professionals on clients' premises; the possibility that adverse publicity could impact the Company's ability to attract and retain clients and candidates; the success of the Company in attracting, training, and retaining qualified management personnel and other staff employees; the Company's ability to comply with governmental regulations affecting personnel services businesses in particular or employer/employee relationships in general; whether there will be ongoing demand for Sarbanes-Oxley or other regulatory compliance services; the Company's reliance on short-term contracts for a significant percentage of its business; litigation relating to prior or current transactions or activities, including litigation that may be disclosed from time to time in the Company's Securities and Exchange Commission ("SEC") filings; the ability of the Company to manage its international operations and comply with foreign laws and regulations; the impact of fluctuations in foreign currency exchange rates; the possibility that the additional costs the Company will incur as a result of health care or other reform legislation may adversely affect the Company's profit margins or the demand for the Company's services; the possibility that the Company's computer and communications hardware and software systems could be damaged or their service interrupted or the Company could experience a cybersecurity breach; and the possibility that the Company may fail to maintain adequate financial and management controls and as a result suffer errors in its financial reporting. Additionally, with respect to Protiviti, other risks and uncertainties include the fact that future success will depend on its ability to retain employees and attract clients; there can be no assurance that there will be ongoing demand for broad based consulting, regulatory compliance, technology services, public sector or other high demand advisory services; failure to produce projected revenues could adversely affect financial results; and there is the possibility of involvement in litigation relating to prior or current transactions or activities. Because long-term contracts are not a significant part of the Company's business, future results cannot be reliably predicted by considering past trends or extrapolating past results.

Executive Overview

The Company achieved record levels of service revenues and net income during 2021 due to a broad-based, global acceleration in demand for its staffing and business consulting services. Annual service revenues reached $6.46 billion in 2021, increasing 26.5% from the prior year. Full-year 2021 net income increased 95.5% to $599 million and diluted net income per share increased 98.5% to $5.36.

The future of work increasingly includes flexible, hybrid and fully remote models and the Company can deliver deeper skills and more price-point choices to its clients by expanding candidate searches beyond local markets while leveraging its global office network and advanced AI-driven technologies. The expanded acceptance of remote work creates significant opportunity for the Company. It brings together the Company's numerous strengths, including its global brand, global office network, global candidate database, and advanced AI-driven technologies and data analytics at the scale needed to excel at out-of-market recruitment and placements. This strengthens the Company's competitive position significantly since its traditionally toughest competitors, local and regional staffing firms, generally do not have these capabilities.

Protiviti continues to be a strong differentiator for the Company, with multiple years of consecutive growth and a highly diversified client base and suite of solution offerings. Growth remains strong across internal audit, technology consulting, risk and compliance consulting, and business performance improvement. Technology consulting is the largest solution group with particular strength in cybersecurity and privacy solutions as well as enterprise applications and data analytics. The Company continues to see positive results in the collaboration between Protiviti and staffing, which pairs Protiviti's world-class consulting talent with staffing's deep operational resources to provide a cost-effective solution to clients' skills and scalability needs. Protiviti has also benefited from project work in the public sector resulting from various governmental stimulus programs.

Demand for the Company’s temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services is largely dependent upon general economic and labor trends both domestically and abroad. The United States economic backdrop during 2021 was conducive to growth for the Company as real gross domestic product (“GDP”) increased 5.7% in 2021, compared to a decrease of 3.5% in 2020, while the unemployment rate declined from 6.7% in December 2020 to 3.9% in December 2021. In the United States, the number of job openings exceeded the number of hires at the end of December 2021, creating competition for skilled talent that increases the Company's value to clients. The U.S. labor market remains robust, with significant demand due to talent shortages across professional disciplines.

We monitor various economic indicators and business trends in all of the countries in which we operate to anticipate demand for the Company’s services. We evaluate these trends to determine the appropriate level of investment, including personnel, which will best position the Company for success in the current and future global macroeconomic environment. The Company’s investments in headcount are typically structured to proactively support and align with expected revenue growth trends and productivity metrics. We have limited visibility into future revenues not only due to the dependence on macroeconomic conditions noted above, but also because of the relatively short duration of the Company’s client engagements. Accordingly, we typically assess headcount and other investments on at least a quarterly basis. During 2021, the Company increased headcount across all segments, when compared to prior year-end levels.

Critical Accounting Policies and Estimates

As described below, the Company’s most critical accounting policies and estimates are those that involve subjective decisions or assessments.

Service Revenues. The Company derives its revenues from three segments: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. Revenues are recognized when promised goods or services are delivered to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. See Note C—"Revenue Recognition" to the Company’s Consolidated Financial Statements included under Part II—Item 8 of this report.

Income Taxes. The Company’s operations are subject to U.S. federal, state and local, and foreign income taxes. In establishing its deferred income tax assets and liabilities and its provision for income taxes, the Company makes judgments and interpretations based on the enacted tax laws that are applicable to its operations in various jurisdictions. Deferred tax assets and liabilities are measured and recorded using current enacted tax rates, which the Company expects will apply to taxable income in the years in which those temporary differences are recovered or settled. The likelihood of a material change in the Company’s expected realization of its deferred tax assets is dependent on future taxable income and the effectiveness of its tax planning in the various relevant jurisdictions.

The Company also evaluates the need for valuation allowances to reduce the deferred tax assets to realizable amounts. Management evaluates all positive and negative evidence and uses judgment regarding past and future events, including operating results, to help determine when it is more likely than not that all or some portion of the deferred tax assets may not be realized. When appropriate, a valuation allowance is recorded against deferred tax assets to offset future tax benefits that may not be realized. Valuation allowances of $24.2 million and $24.1 million were recorded as of December 31, 2021 and 2020, respectively. The valuation allowances recorded relate primarily to net operating losses in certain foreign operations. If such losses are ultimately utilized to offset future operating income, the Company will recognize a tax benefit up to the full amount of the related valuation reserve.

While management believes that its judgments and interpretations regarding income taxes are appropriate, significant differences in actual experience may materially affect the future financial results of the Company.

Recent Accounting Pronouncements

See Note B—"New Accounting Pronouncements" to the Company’s Consolidated Financial Statements included under Part II—Item 8 of this report.

Results of Operations

The Company analyzes its operating results for three reportable segments: temporary and consultant staffing, permanent placement staffing and risk consulting and internal audit services. The temporary and consultant staffing segment provides specialized staffing in the accounting and finance, administrative and office, information technology, legal, advertising, marketing, and web design fields. The permanent placement staffing segment provides full-time personnel in the accounting, finance, administrative and office, and information technology fields. The risk consulting and internal audit services segment provides internal audit, technology consulting, risk and compliance consulting, and business performance improvement services.

Demand for the Company’s temporary and consultant staffing, permanent placement staffing and risk consulting and internal audit services is largely dependent upon general economic and labor market conditions both domestically and abroad. Because of the inherent difficulty in predicting economic trends, future demand for the Company’s services cannot be forecast with certainty. Results for the full year 2021 show that the recovery from the recent economic downturn has surpassed pre-pandemic levels and continues with strong momentum and continued broad-based demand for the Company's staffing and business consulting services. The Company will continue to invest in its people, its technology, its brands and its business model to strengthen the ability to connect people to meaningful and exciting new work and provide clients with the talent and deep subject matter expertise they need to confidently compete and grow.

The Company’s temporary and permanent staffing business conducts placement activities through 321 offices in 42 states, the District of Columbia and 17 foreign countries, while Protiviti has 64 offices in 24 states and 12 foreign countries.

Non-GAAP Financial Measures

The financial results of the Company are prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and the rules of the SEC. To help readers understand the Company’s financial performance, the Company supplements its GAAP financial results with the following non-GAAP measures: as adjusted revenue growth rates; adjusted gross margin; adjusted selling, general and administrative expense; segment income and combined segment income.

Variations in the Company’s financial results include the impact of changes in foreign currency exchange rates and billing days. The Company provides “as adjusted” revenue growth calculations to remove the impact of these items. These calculations show the year-over-year revenue growth rates for the Company’s lines of business on both a reported basis and also on an as adjusted basis for global, U.S., and international operations. The Company has provided this data because it focuses on the Company’s revenue growth rates attributable to operating activities and aids in evaluating revenue trends over time. The Company expresses year-over-year revenue changes as calculated percentages using the same number of billing days and constant currency exchange rates.

In order to calculate constant currency revenue growth rates, as reported amounts are retranslated using foreign currency exchange rates from the prior year’s comparable period. Management then calculates a global, weighted-average number of billing days for each reporting period based upon input from all countries and all lines of business. In order to remove the fluctuations caused by comparable periods having different billing days, the Company calculates same billing day revenue growth rates by dividing each comparative period’s reported revenues by the calculated number of billing days for that period to arrive at a per billing day amount. Same billing day growth rates are then calculated based upon the per billing day amounts. The term “as adjusted” means that the impact of different billing days and currency fluctuations are removed from the revenue growth rate calculation.

The following measures: adjusted gross margin; adjusted selling, general and administrative expense; and segment income include gains and losses on investments held to fund the Company’s obligations under employee deferred compensation plans. The Company provides these measures because they are used by management to review its operational results.

Combined segment income is income before income taxes adjusted for interest income, net and amortization of intangible assets. The Company provides combined segment income because it is how management evaluates segment performance.

The non-GAAP financial measures provided herein may not provide information that is directly comparable to that provided by other companies in the Company’s industry, as other companies may calculate such financial results differently. The Company’s non-GAAP financial measures are not measurements of financial performance under GAAP and should not be considered as alternatives to amounts presented in accordance with GAAP. The Company does not consider these non-GAAP financial measures to be a substitute for, or superior to, the information provided by GAAP financial results. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures is provided on the following pages.

Refer to Item 7a. “Quantitative and Qualitative Disclosures About Market Risk” for further discussion of the impact of foreign currency exchange rates on the Company’s results of operations and financial condition.

Years ended December 31, 2021 and 2020

Service Revenues. The Company's revenues were $6.46 billion for the year ended December 31, 2021, increasing by 26.5%, compared to $5.11 billion for the year ended December 31, 2020. Revenues from U.S. operations increased 25.6% to $5.01 billion (77.5% of total revenue) for the year ended December 31, 2021, compared to $3.98 billion (78.0% of total revenue) for the year ended December 31, 2020. Revenues from foreign operations increased 29.4% to $1.45 billion (22.5% of total revenue) for the year ended December 31, 2021, compared to $1.12 billion (22.0% of total revenue) for the year ended December 31, 2020. The economic recovery in the United States and abroad contributed to the increased broad-based demand for the Company's staffing and business consulting services. Contributing factors for each reportable segment are discussed below in further detail.

Temporary and consultant staffing revenues were $4.04 billion for the year ended December 31, 2021, increasing by 16.1% compared to revenues of $3.48 billion for the year ended December 31, 2020. Key drivers of temporary and consultant staffing revenues include average hourly bill rates and the number of hours worked by the Company's engagement professionals on client engagements. On an as adjusted basis, temporary and consultant staffing revenues increased 15.5% for 2021 compared to 2020, due primarily to an increase in the number of hours worked by the Company's engagement professionals and a 5.3% increase in weighted average bill rates, adjusted for changes in the mix of revenues by line of business, currency and country. In the U.S., 2021 revenues increased 15.6% on an as reported basis, and increased 16.1% on an as adjusted basis, compared to 2020. For the Company's international operations, 2021 revenues increased 17.9% on an as reported basis, and increased 13.4% on an as adjusted basis, compared to 2020.

Permanent placement staffing revenues were $570 million for the year ended December 31, 2021, increasing by 54.0% compared to revenues of $370 million for the year ended December 31, 2020. Key drivers of permanent placement staffing revenues consist of the number of candidate placements and average fees earned per placement. On an as adjusted basis, permanent placement staffing revenues increased 52.6% for 2021 compared to 2020, driven by increases in the number of placements and average fees earned per placement. In the U.S., 2021 revenues increased 55.2% on an as reported basis, and increased 55.8% on an as adjusted basis, compared to 2020. For the Company's international operations, 2021 revenues increased 51.3% on an as reported basis, and increased 45.7% on an as adjusted basis, compared to 2020. Historically, demand for permanent placement services is even more sensitive to economic and labor market conditions than demand for temporary and consultant staffing and this is expected to continue.

Risk consulting and internal audit services revenues were $1.85 billion for the year ended December 31, 2021, increasing by 46.9% compared to revenues of $1.26 billion for the year ended December 31, 2020. Key drivers of risk consulting and internal audit services revenues are the billable hours worked by consultants on client engagements and average hourly bill rates. On an as adjusted basis, risk consulting and internal audit services revenues increased 46.2% for 2021 compared to 2020, driven primarily by an increase in billable hours. In the U.S., 2021 revenues increased 45.1% on an as reported basis, and increased 45.6% on an as adjusted basis, compared to 2020. For the Company's international operations, 2021 revenues increased 54.0% on an as reported basis, and increased 48.6% on an as adjusted basis, compared to 2020.

A reconciliation of the non-GAAP year-over-year revenue growth rates to the as reported year-over-year revenue growth rates for the year ended December 31, 2021, is presented in the following table:

	Global	United States	International
Temporary and consultant staffing			
As Reported	16.1%	15.6%	17.9%
Billing Days Impact	0.4%	0.5%	0.2%
Currency Impact	-1.0%	—	-4.7%
As Adjusted	15.5%	16.1%	13.4%
Permanent placement staffing			
As Reported	54.0%	55.2%	51.3%
Billing Days Impact	0.5%	0.6%	0.3%
Currency Impact	-1.9%	—	-5.9%
As Adjusted	52.6%	55.8%	45.7%
Risk consulting and internal audit services			
As Reported	46.9%	45.1%	54.0%
Billing Days Impact	0.4%	0.5%	0.3%
Currency Impact	-1.1%	—	-5.7%
As Adjusted	46.2%	45.6%	48.6%

Gross Margin. The Company's gross margin dollars were $2.70 billion for the year ended December 31, 2021, up 34.0% from $2.01 billion for the year ended December 31, 2020. Contributing factors for each reportable segment are discussed below in further detail.

Gross margin dollars for temporary and consultant staffing represent revenues less costs of services, which consist of payroll, payroll taxes and benefit costs for engagement professionals, and reimbursable expenses. The key drivers of gross margin are: i) pay-bill spreads, which represent the differential between wages paid to engagement professionals and amounts billed to clients; ii) fringe costs, which are primarily composed of payroll taxes and benefit costs; and iii) conversion revenues, which are earned when a temporary position converts to a permanent position with the Company's client. Gross margin dollars for the Company's temporary and consultant staffing division were $1.60 billion for the year ended December 31, 2021, up 21.8% from $1.31 billion for the year ended December 31, 2020. As a percentage of revenues, gross margin dollars for temporary and consultant staffing were 39.6% in 2021, up from 37.8% in 2020. This year-over-year improvement in gross margin percentage was primarily attributable to higher pay-bill spreads and higher conversion revenues.

Gross margin dollars for permanent placement staffing represent revenues less reimbursable expenses. Gross margin dollars for the Company's permanent placement staffing division were $569 million for the year ended December 31, 2021, up 54.0% from $369 million for the year ended December 31, 2020. Because reimbursable expenses for permanent placement staffing services are de minimis, the increase in gross margin dollars is substantially explained by the increase in revenues previously discussed.

Gross margin dollars for risk consulting and internal audit services represent revenues less costs of services, which consist primarily of professional staff payroll, payroll taxes, benefit costs and reimbursable expenses. The primary drivers of risk consulting and internal audit services gross margin are: i) the relative composition of and number of professional staff and their respective pay and bill rates; and ii) staff utilization, which is the relationship of time spent on client engagements in proportion to the total time available for the Company's risk consulting and internal audit services staff. Gross margin dollars for the Company's risk consulting and internal audit division were $528 million for the year ended December 31, 2021, up 59.9% from $330 million for the year ended December 31, 2020. As a percentage of revenues, reported gross margin dollars for risk consulting and internal audit services were 28.5% in 2021, up from 26.2% in 2020. As a percentage of revenues, adjusted gross margin dollars for risk consulting and internal audit services were 29.0% in 2021, up from 27.1% in 2020. The year-over-year increase in gross margin percentage was due to higher staff utilization rates and the relative composition of and number of professional staff and their respective pay and bill rates.

Selling, General and Administrative Expenses. The Company's selling, general and administrative expenses consist primarily of staff compensation, advertising, variable overhead, depreciation, and occupancy costs. The Company's selling, general and administrative expenses were $1.95 billion for the year ended December 31, 2021, up 17.1% from $1.67 billion for the year ended December 31, 2020. As a percentage of revenues, reported selling, general and administrative expenses were 30.2% in 2021, down from 32.6% in 2020. As a percentage of revenues, adjusted selling, general and administrative expenses were 29.4% in 2021, down from 31.4% in 2020. Contributing factors for each reportable segment are discussed below in further detail.

Selling, general and administrative expenses for the Company's temporary and consultant staffing division were $1.25 billion for the year ended December 31, 2021, increasing by 10.5% from $1.13 billion for the year ended December 31, 2020. As a percentage of revenues, reported selling, general and administrative expenses for temporary and consultant staffing were 31.0% in 2021, down from 32.6% in 2020. As a percentage of revenues, adjusted selling, general and administrative expenses for temporary and consultant staffing were 29.8% in 2021, down from 30.9% in 2020, due primarily to positive leverage from an increase in revenues.

Selling, general and administrative expenses for the Company's permanent placement staffing division were $468 million for the year ended December 31, 2021, increasing by 35.0% from $347 million for the year ended December 31, 2020. As a percentage of revenues, reported selling, general and administrative expenses for permanent placement staffing services were 82.1% in 2021, down from 93.7% in 2020. As a percentage of revenues, adjusted selling, general and administrative expenses for permanent placement staffing was 81.2% in 2021, down from 92.0% in 2020, due primarily to positive leverage from an increase in revenues.

Selling, general and administrative expenses for the Company's risk consulting and internal audit services division were $232 million for the year ended December 31, 2021, increasing by 24.3% from $186 million for the year ended December 31, 2020. As a percentage of revenues, selling, general and administrative expenses for risk consulting and internal audit services were 12.5% in 2021, down from 14.8% in 2020, due primarily to positive operating leverage resulting from increased revenue.

A reconciliation of the non-GAAP adjusted summary of operations to the reported summary of operations, for the years ended December 31, 2021 and 2020 is presented in the following table (in thousands):

	Year Ended December 31,						Relationships			
	2021			2020			2021	2020	2021	2020
	Reported	Adjustments	Adjusted (1)	Reported	Adjustments	Adjusted (1)	Reported		Adjusted	
SERVICE REVENUES:										
Accountemps	$ 1,870,563	$ —	$ 1,870,563	$ 1,558,024	$ —	$ 1,558,024	29.0%	30.5%	29.0%	30.5%
OfficeTeam	1,058,906	—	1,058,906	764,947	—	764,947	16.4%	15.0%	16.4%	15.0%
Robert Half Technology	795,319	—	795,319	695,418	—	695,418	12.3%	13.6%	12.3%	13.6%
Robert Half Management Resources	894,334	—	894,334	698,942	—	698,942	13.8%	13.7%	13.8%	13.7%
Elimination of intersegment revenues	(580,379)	—	(580,379)	(239,996)	—	(239,996)	(9.0%)	(4.7%)	(9.0%)	(4.7%)
Temporary and consultant staffing	4,038,743	—	4,038,743	3,477,335	—	3,477,335	62.5%	68.1%	62.5%	68.1%
Permanent placement staffing	569,921	—	569,921	370,109	—	370,109	8.8%	7.2%	8.8%	7.2%
Protiviti	1,852,780	—	1,852,780	1,261,556	—	1,261,556	28.7%	24.7%	28.7%	24.7%
Total	$ 6,461,444	$ —	$ 6,461,444	$ 5,109,000	$ —	$ 5,109,000	100.0%	100.0%	100.0%	100.0%
GROSS MARGIN:										
Temporary and consultant staffing	$ 1,598,716	$ —	$ 1,598,716	$ 1,312,797	$ —	$ 1,312,797	39.6%	37.8%	39.6%	37.8%
Permanent placement staffing	568,983	—	568,983	369,401	—	369,401	99.8%	99.8%	99.8%	99.8%
Protiviti	528,329	8,847	537,176	330,413	11,682	342,095	28.5%	26.2%	29.0%	27.1%
Total	$ 2,696,028	$ 8,847	$ 2,704,875	$ 2,012,611	$ 11,682	$ 2,024,293	41.7%	39.4%	41.9%	39.6%
SELLING GENERAL AND ADMINISTRATIVE EXPENSE:										
Temporary and consultant staffing	$ 1,251,565	$ (46,721)	$ 1,204,844	$ 1,132,915	$ (57,397)	$ 1,075,518	31.0%	32.6%	29.8%	30.9%
Permanent placement staffing	468,028	(5,510)	462,518	346,711	(6,109)	340,602	82.1%	93.7%	81.2%	92.0%
Protiviti	231,689	—	231,689	186,415	—	186,415	12.5%	14.8%	12.5%	14.8%
Total	$ 1,951,282	$ (52,231)	$ 1,899,051	$ 1,666,041	$ (63,506)	$ 1,602,535	30.2%	32.6%	29.4%	31.4%
OPERATING/SEGMENT INCOME:										
Temporary and consultant staffing	$ 347,151	$ 46,721	$ 393,872	$ 179,882	$ 57,397	$ 237,279	8.6%	5.2%	9.8%	6.8%
Permanent placement staffing	100,955	5,510	106,465	22,690	6,109	28,799	17.7%	6.1%	18.7%	7.8%
Protiviti	296,640	8,847	305,487	143,998	11,682	155,680	16.0%	11.4%	16.5%	12.3%
Total	$ 744,746	$ 61,078	$ 805,824	$ 346,570	$ 75,188	$ 421,758	11.5%	6.8%	12.5%	8.3%
Income from investments held in employee deferred compensation trusts	(61,078)	61,078	—	(75,188)	75,188	—	(1.0%)	(1.5%)	—	—
Amortization of intangible assets	2,241	—	2,241	1,219	—	1,219	0.1%	0.0%	0.1%	0.0%
Interest income, net	(197)	—	(197)	(1,343)	—	(1,343)	0.0%	0.0%	0.0%	0.0%
Income before income taxes	$ 803,780	$ —	$ 803,780	$ 421,882	$ —	$ 421,882	12.4%	8.3%	12.4%	8.3%

(1) Changes in the Company's deferred compensation obligations are included in selling, general and administrative expense or, in the case of Protiviti, costs of services, while the related investment income is presented separately. The non-GAAP financial measures shown in the table above are adjusted to reclassify investment income from investments held in employee deferred compensation trusts to the same line item, which includes the corresponding change in obligation. These adjustments have no impact to income before income taxes.

Income from Investments Held in Employee Deferred Compensation Trusts. Under the Company's employee deferred compensation plans, employees direct the investment of their account balances, and the Company invests amounts held in the associated investment trusts consistent with these directions. As realized and unrealized investment gains and losses occur, the Company's employee deferred compensation obligation to employees changes accordingly. Changes in the Company's deferred compensation obligations noted above remain in selling, general and administrative, or in the case of the Company's risk consulting and internal audit services division, costs of services. The value of the related investment trust assets also changes by the equal and offsetting amount, leaving no net costs to the Company. The Company's income from investments held in employee deferred compensation trusts consists primarily of unrealized and realized gains and losses and dividend income from trust investments. The Company's income from investments held in employee deferred compensation trusts was $61 million for the year ended December 31, 2021, down from $75 million for the year ended December 31, 2020. The decrease in income from trust investments was due to lower market returns in 2021, when compared to 2020.

Income Before Income Taxes and Segment Income. The Company's total income before income taxes was $804 million, or 12.4% of revenues, for the year ended December 31, 2021, up from $422 million or 8.3% of revenues, for the year ended December 31, 2020. Combined segment income was $806 million, or 12.5% of revenues, for the year ended December 31, 2021, up from $422 million, or 8.3% of revenues, for the year ended December 31, 2020.

The following table provides a reconciliation of the non-GAAP combined segment income to reported income before income taxes for the years ended December 31, 2021 and 2020 (in thousands):

	Year Ended December 31,	
	2021	**2020**
Income before income taxes	$ 803,780	$ 421,882
Interest income, net	(197)	(1,343)
Amortization of intangible assets	2,241	1,219
Combined segment income	$ 805,824	$ 421,758

For the Company's temporary and consultant staffing division, segment income was $394 million, or 9.8% of applicable revenues, for the year ended December 31, 2021, up from $237 million, or 6.8% of applicable revenues, for the year ended December 31, 2020. For the Company's permanent placement staffing division, segment income was $106 million, or 18.7% of applicable revenues, for the year ended December 31, 2021, up from segment income of $29 million, or 7.8% of applicable revenues, for the year ended December 31, 2020. For the Company's risk consulting and internal audit services division, segment income was $305 million, or 16.5% of applicable revenues, for the year ended December 31, 2021, compared to segment income of $156 million, or 12.3% of applicable revenues, for the year ended December 31, 2020.

Provision for income taxes. The provision for income taxes was 25.5% and 27.4% for the years ended December 31, 2021 and 2020, respectively. The lower tax rate for 2021 can be attributed to better coverage of non-deductible expenses due to higher income in 2021, as well as higher stock compensation deductions due to the rise in the Company's stock price.

Years ended December 31, 2020 and 2019

A discussion of changes regarding the Company's financial condition and results of operations for the year ended December 31, 2020, compared to the year ended December 31, 2019, can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, filed with the SEC on February 12, 2021, which is available free of charge on the SEC's website at www.sec.gov and at www.roberthalf.com/investor-center.

Liquidity and Capital Resources

The change in the Company's liquidity during the years ended December 31, 2021 and 2020, is primarily the net effect of funds generated by operations and the funds used for capital expenditures, investment in employee deferred compensation trusts, net of redemptions from employee deferred compensation trusts, repurchases of common stock, and payment of dividends.

Cash and cash equivalents were $619 million and $574 million at December 31, 2021 and 2020, respectively. Operating activities provided $603 million during the year ended December 31, 2021, offset by $88 million and $459 million of net cash used in investing activities and financing activities, respectively. Operating and investing activities provided $597 million and $9 million, respectively, during the year ended December 31, 2020, offset by $315 million of net cash used in financing activities.

Operating activities—Net cash provided by operating activities for the year ended December 31, 2021 was $603 million. This was composed of net income of $599 million adjusted upward for non-cash items of $89 million, offset by net cash used in changes in working capital of $85 million. Net cash provided by operating activities for the year ended December 31, 2020 was $597 million. This was composed of net income of $306 million, adjusted upward for non-cash items of $59 million, and net cash provided by changes in working capital of $232 million.

Investing activities—Cash used in investing activities for the year ended December 31, 2021, was $88 million. This was composed of capital expenditures of $37 million and investments in employee deferred compensation trusts of $85 million, offset by proceeds from employee deferred compensation trust redemptions of $34 million. Cash provided by investing activities for the year ended December 31, 2020 was $9 million. This was composed of proceeds from employee deferred compensation trust redemptions of $123 million, largely offset by capital expenditures of $33 million, investments in employee deferred compensation trusts of $65 million, and $16 million cash paid for an acquisition.

Capital expenditures, including $31 million related to cloud computing implementations, in 2021, totaled $68 million, approximately 84% of which represented investments in software initiatives and technology infrastructure, both of which are important to the Company's sustainability and future growth opportunities. Capital expenditures for cloud computing arrangements are included in cash flows from operating activities on the Company's Consolidated Statements of Cash Flows. Capital expenditures included amounts spent on tenant improvements and furniture and equipment in the Company's leased offices. We currently expect that 2022 capitalized expenditures will range from $95 million to $105 million, of which $75 million to $80 million relates to software initiatives and technology infrastructure, including capitalized costs relating to the implementation of cloud computing arrangements.

Financing activities—Cash used in financing activities for the year ended December 31, 2021 was $459 million. This included repurchases of $288 million in common stock and $171 million in dividends paid to stockholders. Cash used in financing activities for the year ended December 31, 2020 was $315 million. This included repurchases of $159 million in common stock and $156 million in dividends paid to stockholders.

As of December 31, 2021, the Company is authorized to repurchase, from time to time, up to 7.2 million additional shares of the Company's common stock on the open market or in privately negotiated transactions, depending on market conditions. During the year ended December 31, 2021 and 2020, the Company repurchased 2.8 million shares, at a cost of $260 million, and 2.5 million shares, at a cost of $138 million, on the open market, respectively. Additional stock repurchases were made in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of exercise price and applicable statutory withholding taxes. During the year ended December 31, 2021 and 2020, such repurchases totaled 0.3 million shares, at a cost of $30 million, and 0.4 million shares, at a cost of $17 million, respectively. Repurchases of shares have been funded with cash generated from operations.

The Company's working capital as of December 31, 2021 included $619 million in cash and cash equivalents and $985 million in accounts receivable, both of which will be a significant source of ongoing liquidity and financial resilience. The Company expects that internally generated cash will be sufficient to support the working capital needs of the Company, the Company's fixed payments, dividends, and other obligations on both a short-term and long-term basis.

There is limited visibility into future cash flows as the Company's revenues are dependent on macroeconomic conditions. The Company's variable direct costs related to its temporary and consultant staffing business will largely fluctuate in relation to its revenues.

In May 2021, the Company entered into an amendment to extend the maturity of its $100 million unsecured revolving credit facility (the "Credit Agreement") to May 2024. Borrowings under the Credit Agreement will bear interest in accordance with the terms of the borrowing, which typically will be calculated according to the LIBOR, or an alternative base rate, plus an applicable margin. The Credit Agreement is subject to certain financial covenants and the Company was in compliance with these covenants as of December 31, 2021. There were no borrowings under the Credit Agreement as of December 31, 2021 or December 31, 2020.

On February 10, 2022, the Company announced a quarterly dividend of $.43 per share to be paid to all shareholders of record as of February 25, 2022. The dividend will be paid on March 15, 2022.

Material Cash Requirements from Contractual Obligations

Leases. As of December 31, 2021, the Company reported current and long-term operating lease liabilities of $83.8 million and $181.3 million, respectively. These balances consist of the minimum rental commitments for 2022 and thereafter, discounted to reflect the Company's cost of borrowing, under noncancelable lease contracts executed as of December 31, 2021.

The majority of these leases are for real estate. In the event the Company vacates a location prior to the end of the lease term, the Company may be obliged to continue making lease payments. For further information, see Note F— "Leases" to the Company's Consolidated Financial Statements included under Part II—Item 8 of this report.

Purchase Obligations. As of December 31, 2021, the Company incurred contractual purchase obligations of $127.9 million primarily related to software subscriptions, services, telecom service and software maintenance agreements. Of this amount, $70.4 million is expected to be paid within the next twelve months. These purchase obligations are incurred during the normal course of business.

Employee Deferred Compensation Plan. As of December 31, 2021, the Company reported deferred compensation plan obligations of $535.3 million in its accompanying consolidated statements of financial position. The balances are due to employees based upon elections they make at the time of deferring their funds. The timing of these payments may change based upon factors including termination of the Company's employment arrangement with a participant. Assets of these plans are held by an independent trustee for the sole benefit of participating employees and consist of money market funds and mutual funds. For further information, see Note I—"Employee Deferred Compensation Plan Obligations" to the Company's Consolidated Financial Statements included under Part II—Item 8 of this report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company continues to monitor the global economic uncertainty as a result the COVID-19 pandemic to assess the impact on its results of operations, financial condition, and liquidity. Actual results and outcomes may differ from management's estimates and assumptions.

Because a portion of the Company's net revenues are derived from its operations outside the U.S. and are denominated in local currencies, the Company is exposed to the impact of foreign currency fluctuations. The Company's exposure to foreign currency exchange rates relates primarily to the Company's foreign subsidiaries. Exchange rates impact the U.S. dollar value of the Company's reported revenues, expenses, earnings, assets and liabilities.

For the year ended December 31, 2021, approximately 22.5% of the Company's revenues were generated outside of the United States. These operations transact business in their functional currency, which is the same as their local currency. As a result, fluctuations in the value of foreign currencies against the U.S. dollar, particularly the Canadian dollar, British pound, Euro, Australian dollar and Brazilian real, have an impact on the Company's reported results. Under GAAP, revenues and expenses denominated in foreign currencies are translated into U.S. dollars at the monthly average exchange rates prevailing during the period. Consequently, as the value of the U.S. dollar changes relative to the currencies of the Company's non-U.S. markets, the Company's reported results vary.

During 2021, the U.S. dollar fluctuated, and generally weakened, against the primary currencies in which the Company conducts business, compared to one year ago. Currency exchange rates had the effect of increasing reported service revenues by $56.9 million, or 1.1%, in 2021, compared to the prior year. The general weakening of the U.S. dollar also affected the reported level of expenses incurred in the Company's foreign operations. Because substantially all the Company's foreign operations generated revenues and incurred expenses within the same country and currency, the effect of higher reported revenues is largely offset by the increase in reported operating expenses. Reported net income was $3.4 million, or 1.1%, higher in 2021 compared to the prior year due to the effect of currency exchange rates.

For the one month ended January 31, 2022, the U.S. dollar has strengthened against the Euro, Canadian Dollar, British Pound and Australian Dollar and weakened against the Brazilian Real since December 31, 2021. If currency exchange rates were to remain at January 2022 levels throughout 2022, the currency impact on the Company's full-year reported revenues would be unfavorable, offset by a favorable impact on operating expenses. These results will likely have an immaterial impact on reported net income.

Fluctuations in currency exchange rates impact the U.S. dollar amount of the Company's stockholders' equity. The assets and liabilities of the Company's non-U.S. subsidiaries are translated into U.S. dollars at the exchange rates in effect at period end. The resulting translation adjustments are recorded in stockholders' equity as a component of accumulated other comprehensive income. Although currency fluctuations impact the Company's reported results and shareholders' equity, such fluctuations generally do not affect cash flow or result in actual economic gains or losses. The Company generally has few cross-border transfers of funds, except for transfers to the U.S. for payment of intercompany loans, working capital loans made between the U.S. and the Company's foreign subsidiaries, and dividends from the Company's foreign subsidiaries.

Item 8. Financial Statements and Supplementary Data

ROBERT HALF INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in thousands, except share amounts)

	December 31,	
	2021	**2020**
ASSETS		
Cash and cash equivalents	$ 619,001	$ 574,426
Accounts receivable, net	984,691	714,163
Employee deferred compensation trust assets	494,991	406,634
Other current assets	169,864	147,515
Total current assets	2,268,547	1,842,738
Property and equipment, net	93,403	109,817
Right-of-use assets	228,793	262,688
Other intangible assets, net	3,334	5,594
Goodwill	222,855	223,055
Noncurrent deferred income taxes	135,427	113,532
Total assets	$ 2,952,359	$ 2,557,424
LIABILITIES		
Accounts payable and accrued expenses	$ 183,796	$ 130,770
Accrued payroll and benefit costs	540,183	397,877
Employee deferred compensation plan obligations	535,276	435,121
Income taxes payable	15,631	4,015
Notes payable	—	239
Current operating lease liabilities	83,787	78,604
Total current liabilities	1,358,673	1,046,626
Noncurrent operating lease liabilities	181,291	223,869
Other liabilities	31,344	81,640
Total liabilities	1,571,308	1,352,135
Commitments and Contingencies (Note L)		
STOCKHOLDERS' EQUITY		
Preferred stock, $.001 par value; authorized 5,000,000 shares; none issued	—	—
Common stock, $.001 par value; authorized 260,000,000 shares; issued and outstanding 110,685,989 and 113,127,501 shares	111	113
Additional paid-in capital	1,235,903	1,179,972
Accumulated other comprehensive income (loss)	(22,622)	(4,732)
Retained earnings	167,659	29,936
Total stockholders' equity	1,381,051	1,205,289
Total liabilities and stockholders' equity	$ 2,952,359	$ 2,557,424

The accompanying Notes to Consolidated Financial Statements
are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Year Ended December 31,		
	2021	**2020**	**2019**
Service revenues	$ 6,461,444	$ 5,109,000	$ 6,074,432
Costs of services	3,765,416	3,096,389	3,549,303
Gross margin	2,696,028	2,012,611	2,525,129
Selling, general and administrative expenses	1,951,282	1,666,041	1,958,295
Income from investments held in employee deferred compensation trusts (which is completely offset by related costs and expenses - Notes A & I)	(61,078)	(75,188)	(54,917)
Amortization of intangible assets	2,241	1,219	1,361
Interest income, net	(197)	(1,343)	(5,125)
Income before income taxes	803,780	421,882	625,515
Provision for income taxes	205,154	115,606	171,082
Net income	$ 598,626	$ 306,276	$ 454,433
Net income per share:			
Basic	$ 5.42	$ 2.72	$ 3.93
Diluted	$ 5.36	$ 2.70	$ 3.90
Shares:			
Basic	110,482	112,729	115,656
Diluted	111,718	113,318	116,411
Dividends declared per share	$ 1.52	$ 1.36	$ 1.24

The accompanying Notes to Consolidated Financial Statements
are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Year Ended December 31,		
	2021	**2020**	**2019**
COMPREHENSIVE INCOME (LOSS):			
Net income	$ 598,626	$ 306,276	$ 454,433
Other comprehensive income (loss):			
Foreign currency translation adjustments, net of tax	(18,702)	18,973	(1,553)
Foreign defined benefit plans, net of tax	812	(3,719)	(2,324)
Total other comprehensive income (loss)	(17,890)	15,254	(3,877)
Total comprehensive income (loss)	$ 580,736	$ 321,530	$ 450,556

The accompanying Notes to Consolidated Financial Statements
are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except per share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Par Value				
Balance at December 31, 2018	119,078	$ 119	$ 1,079,188	$ (16,109)	$ —	$1,063,198
Net income	—	—	—	—	454,433	454,433
Other comprehensive income (loss)	—	—	—	(3,877)	—	(3,877)
Dividends declared ($1.24 per share)	—	—	—	—	(145,726)	(145,726)
Net issuances of restricted stock	647	1	(1)	—	—	—
Stock-based compensation	—	—	48,300	—	—	48,300
Repurchases of common stock	(4,605)	(5)	—	—	(272,640)	(272,645)
Balance at December 31, 2019	115,120	$ 115	$ 1,127,487	$ (19,986)	$ 36,067	$1,143,683
Net income	—	—	—	—	306,276	306,276
Adoption of accounting	—	—	—	—	(558)	(558)
Other comprehensive income (loss)	—	—	—	15,254	—	15,254
Dividends declared ($1.36 per share)	—	—	—	—	(156,045)	(156,045)
Net issuances of restricted stock	879	1	(1)	—	—	—
Stock-based compensation	—	—	52,486	—	—	52,486
Repurchases of common stock	(2,871)	(3)	—	—	(155,804)	(155,807)
Balance at December 31, 2020	113,128	$ 113	$ 1,179,972	$ (4,732)	$ 29,936	$1,205,289
Net income	—	—	—	—	598,626	598,626
Other comprehensive income (loss)	—	—	—	(17,890)	—	(17,890)
Dividends declared ($1.52 per share)	—	—	—	—	(170,679)	(170,679)
Net issuances of restricted stock	701	1	(1)	—	—	—
Stock-based compensation	—	—	55,932	—	—	55,932
Repurchases of common stock	(3,143)	(3)	—	—	(290,224)	(290,227)
Balance at December 31, 2021	110,686	$ 111	$ 1,235,903	$ (22,622)	$ 167,659	$1,381,051

The accompanying Notes to Consolidated Financial Statements
are an integral part of these financial statements.

ROBERT HALF INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2021	**2020**	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 598,626	$ 306,276	$ 454,433
Adjustments to reconcile net income to net cash provided by operating activities:			
Allowance for credit losses	9,464	4,200	9,868
Depreciation	52,210	62,281	64,264
Amortization of cloud computing implementation costs	28,023	18,399	3,624
Amortization of intangible assets	2,241	1,219	1,361
Realized and unrealized gains from investments held in employee deferred compensation trusts	(37,359)	(66,866)	(44,492)
Stock-based compensation	55,932	52,486	48,300
Deferred income taxes	(21,133)	(13,146)	(9,473)
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(292,628)	127,740	(48,461)
Capitalized cloud computing implementation costs	(31,240)	(33,178)	(30,338)
Accounts payable and accrued expenses	52,610	1,098	(9,204)
Accrued payroll and benefit cost	99,005	119,231	17,705
Employee deferred compensation plan obligations	100,058	13,923	87,670
Income taxes payable	3,587	182	(18,798)
Other assets and liabilities, net	(16,260)	2,683	(6,830)
Net cash flows provided by operating activities	603,136	596,528	519,629
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(36,611)	(33,377)	(59,464)
Investments in employee deferred compensation trusts	(85,432)	(64,351)	(71,432)
Proceeds from employee deferred compensation trust redemptions	34,434	123,025	28,758
Payments for acquisitions, net of cash acquired	—	(15,836)	—
Net cash flows (used in) provided by investing activities	(87,609)	9,461	(102,138)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of notes payable	(239)	(218)	(200)
Repurchases of common stock	(287,738)	(159,172)	(277,535)
Dividends paid	(170,612)	(155,935)	(145,631)
Net cash flows used in financing activities	(458,589)	(315,325)	(423,366)
Effect of exchange rate fluctuations	(12,363)	13,284	(226)
Change in cash and cash equivalents	44,575	303,948	(6,101)
Cash and cash equivalents at beginning of period	574,426	270,478	276,579
Cash and cash equivalents at end of period	$ 619,001	$ 574,426	$ 270,478
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	$ 548	$ 577	$ 232
Income taxes, net of refunds	$ 219,726	$ 128,321	$ 191,522
Non-cash items:			
Stock repurchases awaiting settlement	$ 5,593	$ 3,104	$ 6,469
Fund exchanges within employee deferred compensation trusts	$ 116,815	$ 208,055	$ 41,648

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A—Summary of Significant Accounting Policies

Nature of Operations. Robert Half International Inc. (the "Company") provides specialized staffing and risk consulting services through such divisions as *Accountemps*®, *Robert Half*® *Finance & Accounting*, *OfficeTeam*®, *Robert Half*® *Technology*, *Robert Half*® *Management Resources*, *Robert Half*® *Legal*, *The Creative Group*®, and *Protiviti*®. The Company, through its *Accountemps*, *Robert Half Finance & Accounting*, and *Robert Half Management Resources* divisions, is a specialized provider of temporary, full-time, and senior-level project professionals in the fields of accounting and finance. *OfficeTeam* specializes in highly skilled temporary administrative support professionals. *Robert Half Technology* provides project and full-time technology professionals. *Robert Half Legal* provides temporary, project, and full-time staffing of lawyers, paralegals and legal support personnel. *The Creative Group* provides interactive, design, marketing, advertising and public relations professionals. *Protiviti* is a global consulting firm that helps companies solve problems in finance, technology, operations, data, analytics, governance, risk and internal audit. Revenues are predominantly derived from specialized staffing services. The Company operates in North America, South America, Europe, Asia and Australia. The Company is a Delaware corporation.

Basis of Presentation. The Consolidated Financial Statements ("Financial Statements") of the Company are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and the rules of the Securities and Exchange Commission ("SEC"). Certain reclassifications have been made to prior years' consolidated financial statements to conform to the current presentation.

Principles of Consolidation. The Financial Statements include the accounts of the Company and its subsidiaries, all of which are wholly owned. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include allowances for credit losses, variable consideration, workers' compensation losses, accrued medical expenses, income and other taxes, and assumptions used in the Company's goodwill impairment assessment and in the valuation of stock grants subject to market conditions. We continue to monitor the global economic uncertainty as a result of cornavirus ("COVID-19") and its variants to assess the impact on the Company's results of operations, financial condition and liquidity. Actual results and outcomes may differ from management's estimates and assumptions.

Service Revenues. The Company derives its revenues from three segments: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. Revenues are recognized when promised goods or services are delivered to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. See Note C for further discussion of the revenue recognition accounting policy.

Costs of Services. Direct costs of temporary and consultant staffing consist of professional staff payroll, payroll taxes and benefit costs for the Company's engagement professionals, as well as reimbursable expenses. Direct costs of permanent placement staffing services consist of reimbursable expenses. Risk consulting and internal audit direct costs of services include professional staff payroll, payroll taxes and benefit costs, as well as reimbursable expenses.

Advertising Costs. The Company expenses all advertising costs as incurred. Advertising costs were $49.3 million, $37.2 million and $54.3 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Income from Investments Held in Employee Deferred Compensation Trusts. Under the Company's employee deferred compensation plans, employees direct the investment of their account balances, and the Company invests amounts held in the associated investment trusts consistent with these directions. As realized and unrealized investment gains and losses occur, the Company's deferred compensation obligation to employees changes accordingly. Changes in the Company's deferred compensation obligations remain in selling, general and administrative expenses or, in the case of risk consulting and internal audit services, costs of services. The value of the related investment trust assets also changes by an equal and offsetting amount, leaving no net cost to the Company. The Company's income from investments held in employee deferred compensation trusts consists primarily of unrealized and realized gains and losses and dividend income from trust investments.

The following table presents the Company's income from investments held in employee deferred compensation trusts (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Dividend income	$ 23,719	$ 8,322	$ 10,425
Realized and unrealized gains	37,359	66,866	44,492
Income from investments held in employee deferred compensation trusts	$ 61,078	$ 75,188	$ 54,917

Comprehensive Income (Loss). Comprehensive income (loss) includes net income and certain other items that are recorded directly to stockholders' equity. The Company's only sources of other comprehensive income (loss) are foreign currency translation and foreign defined benefit plan adjustments.

Cash and Cash Equivalents. The Company considers all highly liquid investments with a maturity at the date of purchase of three months or less as cash equivalents. This includes money market funds that meet the requirements to be treated as cash equivalents. However, money market funds held in investment trusts that are being used as investments to satisfy the Company's obligations under its employee deferred compensation plans are treated as investments and are included in employee deferred compensation trust assets on the Consolidated Statements of Financial Position.

Fair Value of Financial Instruments. Assets and liabilities recorded at fair value are measured and classified in accordance with a three-tier fair value hierarchy based on the observability of the inputs available in the market to measure fair value, summarized as follows:

Level 1: observable inputs for identical assets or liabilities, such as quoted prices in active markets

Level 2: inputs other than the quoted prices in active markets that are observable either directly or indirectly

Level 3: unobservable inputs in which there is little or no market data, which requires management's best estimates and assumptions that market participants would use in pricing the asset or liability

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximates fair value because of their short-term nature. The Company holds mutual funds and money market funds to satisfy its obligations under its employee deferred compensation plans, which are carried at fair value based on quoted market prices in active markets for identical assets (level 1).

The following table sets forth the composition of the underlying assets which comprise the Company's deferred compensation trust assets (in thousands):

		Fair Value Measurements Using		
	Balance at December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds	$ 66,700	$ 66,700	—	—
Mutual funds - bond	30,750	30,750	—	—
Mutual funds - stock	303,277	303,277	—	—
Mutual funds - blend	94,264	94,264	—	—
	$ 494,991	$ 494,991	—	—

		Fair Value Measurements Using		
	Balance at December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds	$ 69,681	$ 69,681	—	—
Mutual funds - bond	27,282	27,282	—	—
Mutual funds - stock	234,667	234,667	—	—
Mutual funds - blend	75,004	75,004	—	—
	$ 406,634	$ 406,634	—	—

Certain items such as goodwill and other intangible assets are recognized or disclosed at fair value on a non-recurring basis. The Company determines the fair value of these items using level 3 inputs. There are inherent limitations when estimating the fair value of financial instruments, and the fair values reported are not necessarily indicative of the amounts that would be realized in current market transactions.

Allowance for Credit Losses. The Company is exposed to credit losses resulting from the inability of its customers to make required payments. The Company establishes an allowance for these potential credit losses based on its review of customers' credit profiles, historical loss statistics, prepayments, recoveries, age of customer receivable balances, current business conditions and macro-economic trends. The Company considers risk characteristics of trade receivables based on asset type and geographical locations to evaluate trade receivables on a collective basis. The Company applies credit loss estimates to these pooled receivables to determine expected credit losses.

The following table sets forth the activity in the allowance for credit losses from January 1, 2020, through December 31, 2021 (in thousands):

	Allowance for Credit Losses
Balance as of January 1, 2020	$ 23,443
Charges to expense	4,200
Deductions	(7,906)
Other, including translation adjustments	(120)
Balance as of December 31, 2020	$ 19,617
Charges to expense	9,464
Deductions	(6,827)
Other, including translation adjustments	(724)
Balance as of December 31, 2021	$ 21,530

Property and Equipment. Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the following useful lives:

Computer hardware	2 to 3 years
Computer software	2 to 5 years
Furniture and equipment	3 to 5 years
Leasehold improvements	Term of lease

Internal-use Software. The Company develops and implements software for internal use to enhance the performance and capabilities of the operating technology infrastructure. Direct costs incurred for the development of internal-use software are capitalized from the time when the completion of the internal-use software is considered probable until the software is ready for use. All other preliminary and planning stage costs are expensed as incurred. Cloud computing implementation costs incurred in hosting arrangements are capitalized and reported as a component of other current assets, while all other capitalized internal-use software development costs are reported as a component of computer software within property and equipment on the Consolidated Statements of Financial Position. Capitalized software costs are amortized using the straight-line method over the estimated useful life of the software, ranging from two to five years.

Leases. The Company determines if a contractual arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, current operating lease liabilities, and noncurrent operating lease liabilities on the Consolidated Statements of Financial Position. The Company does not currently have finance leases.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the possession date (generally this is the commencement date) of the lease based on the present value of lease payments over the lease term. The lease payments included in the present value are fixed lease payments and fixed management fees. The operating lease ROU assets include any payments made before the commencement date and exclude lease incentives. As most of the Company's leases do not provide an implicit rate, the Company estimates its collateralized incremental borrowing rate, based on information available at the commencement date, in determining the present value of lease payments. The Company applies the portfolio approach in applying discount rates to its classes of leases. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company does not have any material subleases. The Company does not currently have residual value guarantees or restrictive covenants in its leases. The Company has contracts with lease and non-lease components, which are accounted for on a combined basis.

Goodwill and Intangible Assets. Goodwill and intangible assets primarily consist of the cost of acquired companies in excess of the fair market value of their net tangible assets at the date of acquisition. Identifiable intangible assets are amortized over their lives, typically ranging from two to five years. Goodwill is not amortized, but is tested at least annually for impairment. The Company completed its annual goodwill impairment assessment during the second quarter in each of the years ended December 31, 2021, 2020 and 2019, and determined that no adjustment to the carrying value of goodwill was required. There were no events or changes in circumstances during the six months ended December 31, 2021, that caused the Company to perform an interim impairment assessment.

Income Taxes. The Company's operations are subject to U.S. federal, state and local, and foreign income taxes. In establishing its deferred income tax assets and liabilities and its provision for income taxes, the Company makes judgments and interpretations based on the enacted tax laws that are applicable to its operations in various jurisdictions. Deferred tax assets and liabilities are measured and recorded using current enacted tax rates, which the Company expects will apply to taxable income in the years in which those temporary differences are recovered or settled. The likelihood of a material change in the Company's expected realization of its deferred tax assets is dependent on future taxable income and the effectiveness of its tax planning strategies in the various relevant jurisdictions.

The Company also evaluates the need for valuation allowances to reduce the deferred tax assets to realizable amounts. Management evaluates all positive and negative evidence and uses judgment regarding past and future events, including operating results, to help determine when it is more likely than not that all or some portion of the deferred tax assets may not be realized. When appropriate, a valuation allowance is recorded against deferred tax assets to offset future tax benefits that may not be realized. Valuation allowances of $24.2 million and $24.1 million were recorded as of December 31, 2021 and 2020, respectively. The valuation allowances recorded related primarily to net operating losses in certain foreign operations. If such losses are ultimately utilized to offset future segment income, the Company will recognize a tax benefit up to the full amount of the valuation reserve.

Workers' Compensation. Except for states which require participation in state-operated insurance funds, the Company retains the economic burden for the first $0.5 million per occurrence in workers' compensation claims. Workers' compensation includes the ongoing medical and indemnity costs for claims filed, which may be paid over numerous years following the date of injury. Claims in excess of $0.5 million are insured. Workers' compensation expense includes the insurance premiums for claims in excess of $0.5 million, claims administration fees charged by the Company's workers' compensation administrator, premiums paid to state-operated insurance funds, and an estimate for the Company's liability for Incurred But Not Reported ("IBNR") claims and for the ongoing development of existing claims.

The reserves for IBNR claims and for the ongoing development of existing claims in each reporting period includes estimates. The Company has established reserves for workers' compensation claims using loss development rates which are estimated using periodic third party actuarial valuations based upon historical loss statistics, which include the Company's historical frequency and severity of workers' compensation claims, and an estimate of future cost trends. While management believes that its assumptions and estimates are appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company's future results.

Accrued Medical Expenses. The Company offers several medical plans to its employees and retains the economic burden for the first $1.0 million per claimant per year in medical claims. Claims in excess of $1.0 million per year per claimant are insured. Medical expense includes the insurance premiums for claims in excess of $1.0 million, claims administration fees, prescription fees and reimbursements, and an estimate for the Company's liability for IBNR claims and for the ongoing development of existing claims. Medical expenses are presented as a component of selling, general and administrative expenses, or in the case of risk consulting and internal audit services, costs of services in the Consolidated Statements of Operations.

The reserves for IBNR claims and for the ongoing development of existing claims in each reporting period includes estimates. The Company has established reserves for medical claims using rates which are estimated using periodic third-party actuarial valuations based upon historical loss statistics which include the Company's historical claims data, and an estimate of future claim trends. While management believes that its assumptions and estimates are appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company's future results.

Foreign Currency Translation. The reporting currency of the Company and its subsidiaries is the U.S. dollar. The functional currency of the Company's foreign subsidiaries is their local currency. The results of operations of the Company's foreign subsidiaries are translated at the monthly average exchange rates prevailing during the period. The financial position of the Company's foreign subsidiaries is translated at the current exchange rates at the end of the period, and the related translation adjustments are recorded as a component of accumulated other comprehensive income (loss) within Stockholders' Equity. Gains and losses resulting from foreign currency transactions are included as a component of selling, general and administrative expenses in the Consolidated Statements of Operations, and have not been material for all periods presented.

Stock-based Compensation. Under various stock plans, officers, employees and outside directors have received or may receive grants of restricted stock, stock units, stock appreciation rights or options to purchase common stock.

The Company recognizes compensation expense equal to the grant-date fair value for all stock-based payment awards that are expected to vest. This expense is recorded on a straight-line basis over the requisite service period of the entire award. The Company determines the grant-date fair value of its restricted stock and stock unit awards using the fair market value of its stock on the grant date, unless the awards are subject to market conditions, in which case the Company utilizes a binomial-lattice model (i.e., Monte Carlo simulation model). The Monte Carlo simulation model utilizes multiple input variables to determine the stock-based compensation fair value.

No stock appreciation rights have been granted under the Company's existing stock plans. The Company has not granted any options to purchase common stock since 2006.

Note B—New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

Reference Rate Reform. In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The amendments provide optional guidance for a limited time to ease the potential burden in accounting for reference rate reform. The new guidance provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts and hedging relationships that reference London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued due to reference rate reform. These amendments are effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The application of this guidance did not have a material impact on the Company's financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

Government Assistance. In November 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-10, "Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance" to increase the transparency of government assistance including the disclosure of the types of assistance an entity receives, an entity's method of accounting for government assistance and the effect of the assistance on an entity's financial statements. This standard is effective for annual periods beginning after December 15, 2021. The amendments should be applied either (1) prospectively to all transactions within the scope of the amendments that are reflected in financial statements at the date of initial application and new transactions that are entered into after the date of initial application, or (2) retrospectively to those transactions. This guidance is effective for annual periods beginning after December 15, 2021. The Company believes the adoption of this guidance will not have a material impact on its financial statements.

Note C—Revenue Recognition

The Company derives its revenues from three segments: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. Revenues are recognized when promised goods or services are delivered to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Service revenues as presented on the Consolidated Statements of Operations represent services rendered to customers less variable consideration, such as sales adjustments and allowances. Reimbursements, including those related to travel and out-of-pocket expenses, are also included in service revenues, and equivalent amounts of reimbursable expenses are included in costs of services.

Temporary and consultant staffing revenues. Temporary and consultant staffing revenues from contracts with customers are recognized in the amount to which the Company has a right to invoice, when the services are rendered by the Company's engagement professionals. The substantial majority of engagement professionals placed on assignment by the Company are the Company's legal employees while they are working on assignments. The Company pays all related costs of employment, including workers' compensation insurance, state and federal unemployment taxes, social security, and certain fringe benefits. The Company assumes the risk of acceptability of its employees to its customers.

The Company records temporary and consultant staffing revenue on a gross basis as a principal versus on a net basis as an agent in the presentation of revenues and expenses. The Company has concluded that gross reporting is appropriate because the Company (i) has the risk of identifying and hiring qualified employees, (ii) has the discretion to select the employees and establish their price and duties, and (iii) bears the risk for services that are not fully paid for by customers. Fees paid to Time Management or Vendor Management service providers selected by clients are recorded as a reduction of revenues, as the Company is not the primary obligor with respect to those services.

Permanent placement staffing revenues. Permanent placement staffing revenues from contracts with customers are primarily recognized when employment candidates accept offers of permanent employment. The Company has a substantial history of estimating the financial impact of permanent placement candidates who do not remain with its clients through the 90-day guarantee period. These amounts are established based primarily on historical data and are recorded as liabilities. Fees to clients are generally calculated as a percentage of the new employee's annual compensation. No fees for permanent placement services are charged to employment candidates.

Risk consulting and internal audit services revenues. Risk consulting and internal audit services are generally provided on a time-and-material basis or fixed-fee basis. Revenues earned under time-and-material arrangements and fixed-fee arrangements are recognized using a proportional performance method. Revenue is measured using cost incurred relative to total estimated cost for the engagement to measure progress towards satisfying the Company's performance obligations. Cost incurred represents work performed and thereby best depicts the transfer of control to the customer. Risk consulting and internal audit services generally contain one or more performance obligation(s) which are satisfied over a period of time. Revenues are recognized over time as the performance obligations are satisfied, because the services provided do not have any alternative use to the Company, and contracts generally include language giving the Company an enforceable right to payment for services provided to date.

The Company periodically evaluates the need to provide for any losses on these projects, and losses are recognized when it is probable that a loss will be incurred.

The following table presents the Company's revenues disaggregated by line of business (in thousands):

	Year Ended December 31,		
	2021	**2020**	**2019**
Accountemps	$ 1,870,563	$ 1,558,024	$ 1,985,221
OfficeTeam	1,058,906	764,947	1,040,755
Robert Half Technology	795,319	695,418	765,831
Robert Half Management Resources	894,334	698,942	792,757
Elimination of intersegment revenues (a)	(580,379)	(239,996)	(172,439)
Temporary and consultant staffing	4,038,743	3,477,335	4,412,125
Permanent placement staffing	569,921	370,109	533,432
Risk consulting and internal audit services	1,852,780	1,261,556	1,128,875
Service revenues	$ 6,461,444	$ 5,109,000	$ 6,074,432

(a) Service revenues for *Accountemps, OfficeTeam, Robert Half Technology* and *Robert Half Management Resources* include intersegment revenues, which represent revenues from services provided to the Company's risk consulting and internal audit services segment in connection with the Company's blended business solutions. Intersegment revenues for each line of business are aggregated and then eliminated as a single line.

Payment terms in the Company's contracts vary by the type and location of the Company's customer and the services offered. The term between invoicing and when payment is due is not significant.

Contracts with multiple performance obligations are recognized as performance obligations are delivered, and contract value is allocated based on relative stand-alone selling values of the services and products in the arrangement. As of December 31, 2021, aggregate transaction price allocated to the performance obligations that were unsatisfied for contracts with an expected duration of greater than one year was $111.9 million. Of this amount, $105.5 million is expected to be recognized within the next twelve months. As of December 31, 2020, aggregate transaction price allocated to the performance obligations that were unsatisfied for contracts with an expected duration of greater than one year was $134.9 million.

Contract liabilities are recorded when cash payments are received or due in advance of performance and are reflected in accounts payable and accrued expenses on the Consolidated Statements of Financial Position. The following table sets forth the activity in contract liabilities from December 31, 2018, through December 31, 2021 (in thousands):

	Contract Liabilities
Balance as of December 31, 2018	$ 12,997
Payments in advance of satisfaction of performance obligations	13,030
Revenue recognized	(12,072)
Other, including translation adjustments	(1,007)
Balance as of December 31, 2019	$ 12,948
Payments in advance of satisfaction of performance obligations	25,614
Revenue recognized	(20,687)
Other, including translation adjustments	377
Balance as of December 31, 2020	$ 18,252
Payments in advance of satisfaction of performance obligations	27,341
Revenue recognized	(20,372)
Other, including translation adjustments	380
Balance as of December 31, 2021	$ 25,601

Note D—Other Current Assets

Other current assets consisted of the following (in thousands):

	December 31,	
	2021	2020
Prepaid expenses	$ 69,526	$ 56,157
Unamortized cloud computing implementation costs	44,692	41,517
Other	55,646	49,841
Other current assets	$ 169,864	$ 147,515

Note E—Property and Equipment, Net

Property and equipment consisted of the following (in thousands):

	December 31,	
	2021	2020
Computer hardware	$ 157,408	$ 159,180
Computer software	246,013	250,585
Furniture and equipment	93,144	91,112
Leasehold improvements	165,153	164,807
Property and equipment, cost	661,718	665,684
Accumulated depreciation	(568,315)	(555,867)
Property and equipment, net	$ 93,403	$ 109,817

Note F—Leases

The Company has operating leases for corporate and field offices, and certain equipment. The Company's leases have remaining lease terms of 1 year to 8 years, some of which include options to extend the leases for up to 10 years, and some of which include options to terminate the leases within 1 year. Operating lease expense was $86.6 million, $81.5 million and $77.7 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Supplemental cash flow information related to leases consisted of the following (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Cash paid for operating lease liabilities	$ 91,253	$ 84,569	$ 78,152
Right-of-use assets obtained in exchange for operating lease liabilities from new leases	$ 20,038	$ 37,786	$ 32,170
Right-of-use assets obtained in exchange for operating lease liabilities from lease modifications or reassessments	$ 31,433	$ 64,221	$ 32,122

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

	Year Ended December 31,		
	2021	2020	2019
Weighted average remaining lease term for operating leases	3.9 years	4.5 years	4.8 years
Weighted average discount rate for operating leases	2.3%	2.6%	3.0%

Future minimum lease payments under non-cancellable leases as of December 31, 2021, were as follows (in thousands):

2022	$ 88,785
2023	69,527
2024	53,289
2025	32,354
2026	19,905
Thereafter	13,639
Less: Imputed interest	(12,421)
Present value of operating lease liabilities (a)	$ 265,078

(a) Includes current portion of $83.8 million for operating leases.

As of December 31, 2021, the Company had additional future minimum lease obligations totaling $10.7 million under executed operating lease contracts that had not yet commenced. These operating leases include agreements for corporate and field office facilities with lease terms of 1 to 6 years.

Note G—Goodwill

The following table sets forth the activity in goodwill from December 31, 2019, through December 31, 2021 (in thousands):

	Goodwill			
	Temporary and consultant staffing	Permanent placement staffing	Risk consulting and internal audit services	Total
Balance as of December 31, 2019	$ 134,210	$ 26,097	$ 50,057	$ 210,364
Acquisitions (a)	—	—	12,199	12,199
Foreign currency translation adjustments	301	83	108	492
Balance as of December 31, 2020	$ 134,511	$ 26,180	$ 62,364	$ 223,055
Foreign currency translation adjustments	73	9	(282)	(200)
Balance as of December 31, 2021	$ 134,584	$ 26,189	$ 62,082	$ 222,855

(a) In December 2020 the Company, through its wholly owned subsidiary Protiviti, acquired Identropy, Inc., an independent security consulting firm specializing in advisory, implementation and managed services for identity, access management and access governance solutions. As part of the acquisition, the Company recorded goodwill of $12.2 million within its risk consulting and internal audit services segment.

Note H—Accrued Payroll and Benefit Costs

Accrued payroll and benefit costs consisted of the following (in thousands):

	December 31,	
	2021	2020
Payroll and benefits	$ 449,246	$ 311,169
Payroll taxes	74,117	67,712
Workers' compensation	16,820	18,996
Accrued payroll and benefit costs	$ 540,183	$ 397,877

The Company, under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, deferred paying $51.1 million and $102.2 million of applicable payroll taxes as of December 31, 2021 and December 31, 2020, respectively. The remaining deferred payroll balance of $51.1 million is expected to be paid during the next 12 months and is included in payroll and benefits.

Note I—Employee Deferred Compensation Plan Obligations

The Company provides various qualified defined contribution 401(k) plans covering eligible employees. The plans offer a savings feature with the Company matching employee contributions. Assets of this plan are held by an independent trustee for the sole benefit of participating employees. Nonqualified plans are provided for employees not eligible for the qualified plans. These plans include provisions for salary deferrals and Company matching and discretionary contributions. The asset value of the nonqualified plans was $495.0 million and $406.6 million as of December 31, 2021 and December 31, 2020, respectively. The Company holds these assets to satisfy the Company's liabilities under its deferred compensation plans.

The liability value for the nonqualified plans was $535.3 million and $435.1 million as of December 31, 2021 and December 31, 2020, respectively.

The following table presents the Company's compensation expense related to its qualified defined contribution plans and nonqualified plans (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Contribution expense	$ 47,119	$ 42,092	$ 26,122
Increase in employee deferred compensation expense related to changes in the fair value of trust assets	61,078	75,188	54,917
	$ 108,197	$ 117,280	$ 81,039

The Company has statutory defined contribution plans and defined benefit plans outside the U.S., which are not material.

Note J—Notes Payable

The Company had a promissory note payable which had a balance of $0.2 million at December 31, 2020, and was paid in full as of December 31, 2021.

The Company has an uncommitted letter of credit facility (the "facility") of up to $35.0 million, which is available to cover the issuance of debt support standby letters of credit. The Company had used $18.0 million and $17.0 million in debt support standby letters of credit as of December 31, 2021 and 2020, respectively. Of the debt support standby letters of credit outstanding, as of December 31, 2021 and 2020, $18.0 million and $16.8 million, respectively, satisfied workers' compensation insurer's collateral requirements. There is a service fee of 1.2% on the used portion of the facility. The facility is subject to certain financial covenants and expires on August 31, 2022. The Company was in compliance with these covenants as of December 31, 2021. The Company intends to renew this facility prior to its August 31, 2022, expiration.

In March 2021, the Company entered into an amendment to extend the maturity of its $100 million unsecured revolving credit facility (the "Credit Agreement") to May 2024. Borrowings under the Credit Agreement will bear interest in accordance with the terms of the borrowing, which typically will be calculated according to the LIBOR, or an alternative base rate, plus an applicable margin. The Credit Agreement is subject to certain financial covenants and the Company was in compliance with these covenants as of December 31, 2021. There were no borrowings under the Credit Agreement as of December 31, 2021 or December 31, 2020.

Note K—Income Taxes

The provision for income taxes for the years ended December 31, 2021, 2020 and 2019, consisted of the following (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Current:			
Federal	$ 137,862	$ 79,926	$ 107,699
State	47,226	27,401	39,028
Foreign	41,464	20,018	33,227
Deferred:			
Federal and state	(22,515)	(9,089)	(9,959)
Foreign	1,117	(2,650)	1,087
	$ 205,154	$ 115,606	$ 171,082

Income before the provision for income taxes for the years ended December 31, 2021, 2020 and 2019, consisted of the following (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Domestic	$ 676,445	$ 378,876	$ 545,695
Foreign	127,335	43,006	79,820
	$ 803,780	$ 421,882	$ 625,515

The income taxes shown above varied from the statutory federal income tax rates for these periods as follows:

	Year Ended December 31,		
	2021	2020	2019
Federal U.S. income tax rate	21.0%	21.0%	21.0%
State income taxes, net of federal tax benefit	4.5	4.9	4.9
Permanent book/tax differences	(0.4)	0.3	0.5
Compensation book/tax differences	0.7	1.3	0.6
Non-U.S. income taxed at different rates, net of foreign tax credits	1.9	1.7	2.1
Federal tax credits	(1.6)	(1.5)	(1.4)
Tax impact of uncertain tax positions	0.3	0.1	0.2
Other, net	(0.9)	(0.4)	(0.5)
Effective tax rate	25.5%	27.4%	27.4%

The deferred portion of the tax (benefit) provision consisted of the following (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Accrued expenses, deducted for tax when paid	$ (32,741)	$ (33,997)	$ (29,471)
Capitalized costs for books, deducted for tax	462	1,904	3,246
Depreciation	(2,286)	6,732	3,526
Unrealized gains from investments held in employee deferred compensation trusts	8,167	14,882	11,674
Other, net	5,000	(1,260)	2,153
	$ (21,398)	$ (11,739)	$ (8,872)

The components of the deferred income tax amounts at December 31, 2021 and 2020, were as follows (in thousands):

	December 31,	
	2021	2020
Deferred income tax assets		
Employee deferred compensation and other benefit obligations	$ 155,064	$ 128,702
Deferred revenues, foreign royalties and management fees	16,034	—
Deferred Payroll Taxes (CARES Act)	13,355	27,086
Credits and net operating loss carryforwards	24,811	30,651
Stock-based compensation	3,843	3,637
Allowance for credit losses	6,557	5,272
Workers' compensation	3,623	3,774
Operating lease liabilities	52,614	59,249
Other	18,565	13,361
Total deferred income tax assets	294,466	271,732
Deferred income tax liabilities		
Amortization of intangible assets	(24,391)	(24,163)
Property and equipment basis differences	(23,305)	(25,555)
Unrealized gains from investments held in employee deferred compensation trusts	(34,001)	(26,224)
Right-of-use assets	(43,986)	(49,833)
Other	(10,549)	(8,922)
Total deferred income tax liabilities	(136,232)	(134,697)
Valuation allowance	(24,198)	(24,132)
Total deferred income tax assets, net	$ 134,036	$ 112,903

Credits and net operating loss carryforwards primarily include tax-effected net operating losses in foreign countries of $22.8 million that expire in 2022 and later, and California enterprise zone tax credits of $1.6 million that expire in 2023. Of the $1.6 million of California enterprise zone tax credits, the Company expects that it will utilize $0.4 million of these credits prior to expiration. Valuation allowances of $23.0 million have been maintained against net operating loss carryforwards and other deferred items in foreign countries. In addition, a valuation allowance of $1.2 million has been maintained against California enterprise zone tax credits.

As of December 31, 2021, the Company's consolidated financial statements provide for any related U.S. tax liability on earnings of foreign subsidiaries that may be repatriated.

The following table reconciles the total amounts of gross unrecognized tax benefits from January 1, 2019 to December 31, 2021 (in thousands):

	December 31,		
	2021	2020	2019
Balance at beginning of period	$ 9,785	$ 9,354	$ 8,418
Gross increases—tax positions in prior years	3	220	—
Gross decreases—tax positions in prior years	0	0	(760)
Gross increases—tax positions in current year	3,370	1,678	1,703
Settlements	—	—	(4)
Lapse of statute of limitations	(1,894)	(1,467)	(3)
Balance at end of period	$ 11,264	$ 9,785	$ 9,354

The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate is $11.3 million, $9.8 million and $9.3 million for 2021, 2020 and 2019, respectively.

The Company's continuing practice is to recognize interest and penalties related to income tax matters in income tax expense. The total amount of interest and penalties accrued as of December 31, 2021, is $0.4 million, including a $0.1 million decrease recorded in income tax expense during the year. The total amount of interest and penalties accrued as of December 31, 2020, was $0.5 million, including less than a $0.1 million increase recorded in income tax expense during the year. The total amount of interest and penalties accrued as of December 31, 2019, was $0.5 million, including a $0.2 million increase recorded in income tax expense during the year.

The Company does not believe it is reasonably possible that the settlement of tax uncertainties will occur within the next twelve months.

The Company's major income tax jurisdictions are the United States, Australia, Belgium, Canada, France, Germany and the United Kingdom. For U.S. federal income tax, the Company remains subject to examination for 2018 and subsequent years. For major U.S. states, with few exceptions, the Company remains subject to examination for 2017 and subsequent years. Generally, for foreign countries, the Company remains subject to examination for 2014 and subsequent years..

Note L—Commitments and Contingencies

On March 23, 2015, Plaintiff Jessica Gentry, on her own behalf and on behalf of a putative class of allegedly similarly situated individuals, filed a complaint against the Company in the Superior Court of California, San Francisco County, which was subsequently amended on October 23, 2015. The complaint alleges that a putative class of current and former employees of the Company working in California since March 13, 2010, were denied compensation for the time they spent interviewing "for temporary and permanent employment opportunities" as well as performing activities related to the interview process. Gentry seeks recovery on her own behalf and on behalf of the putative class in an unspecified amount for this allegedly unpaid compensation. Gentry also seeks recovery of an unspecified amount for the alleged failure of the Company to provide her and the putative class with accurate wage statements. Gentry also seeks an unspecified amount of other damages, attorneys' fees and statutory penalties, including penalties for allegedly not paying all wages due upon separation to former employees and statutory penalties on behalf of herself and other allegedly "aggrieved employees" as defined by California's Labor Code Private Attorney General Act ("PAGA"). On January 4, 2016, the Court denied a motion by the Company to compel all of Gentry's claims, except the PAGA claim, to individual arbitration. At this stage of the litigation, it is not feasible to predict the outcome of or a range of loss, should a loss occur, from this proceeding and, accordingly, no amounts have been provided in the Company's Financial Statements. The Company believes it has meritorious defenses to the allegations and the Company intends to continue to vigorously defend against the litigation.

On April 6, 2018, Plaintiff Shari Dorff, on her own behalf and on behalf of a putative class of allegedly similarly situated individuals, filed a complaint against the Company in the Superior Court of California, County of Los Angeles. In addition to certain claims individual to Plaintiff Dorff, the complaint alleges that salaried recruiters based in California have been misclassified as exempt employees and seeks an unspecified amount for: unpaid wages resulting from such alleged misclassification; alleged failure to provide a reasonable opportunity to take meal periods and rest breaks; alleged failure to pay wages on a timely basis both during employment and upon separation; alleged failure to comply with California requirements regarding wage statements and record-keeping; and alleged improper denial of expense reimbursement. Plaintiff Dorff also seeks an unspecified amount of other damages, attorneys' fees and penalties, including but not limited to statutory penalties on behalf of herself and other allegedly "aggrieved employees" as defined by PAGA. At this stage of the litigation, it is not feasible to predict the outcome of or a range of loss, should a loss occur, from this proceeding and, accordingly, no amounts have been provided in the Company's Financial Statements. The Company believes it has meritorious defenses to the allegations and the Company intends to continue to vigorously defend against the litigation.

The Company is involved in a number of other lawsuits arising in the ordinary course of business. While management does not expect any of these other matters to have a material adverse effect on the Company's results of operations, financial position or cash flows, litigation is subject to certain inherent uncertainties.

Legal costs associated with the resolution of claims, lawsuits and other contingencies are expensed as incurred.

Note M—Stockholders' Equity

Stock Repurchase Program. As of December 31, 2021, the Company is authorized to repurchase, from time to time, up to 7.2 million additional shares of the Company's common stock on the open market or in privately negotiated transactions, depending on market conditions. The number and the cost of common stock shares repurchased during the years ended December 31, 2021, 2020 and 2019, are reflected in the following table (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Common stock repurchased (in shares)	2,796	2,505	4,253
Common stock repurchased	$ 260,410	$ 138,408	$ 250,154

Additional stock repurchases were made in connection with employee stock plans, whereby Company shares were tendered by employees for the payment of applicable statutory withholding taxes. The number and the cost of employee stock plan repurchases made during the years ended December 31, 2021, 2020 and 2019, are reflected in the following table (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Repurchases related to employee stock plans (in shares)	347	366	352
Repurchases related to employee stock plans	$ 29,817	$ 17,399	$ 22,491

The repurchased shares are held in treasury and are presented as if constructively retired. Treasury stock is accounted for using the cost method. Treasury stock activity for each of the three years ended December 31, 2021, 2020 and 2019 (consisting of purchase of shares for the treasury) is presented in the Consolidated Statements of Stockholders' Equity.

Dividends. The Company's Board of Directors may, at their discretion, declare and pay cash dividends upon the shares of the Company's stock, either out of the Company's retained earnings or additional paid-in capital. The dividends declared per share were $1.52, $1.36 and $1.24 during the years ended December 31, 2021, 2020 and 2019, respectively.

Repurchases of shares and issuances of dividends are applied first to the extent of retained earnings and any remaining amounts are applied to additional paid-in capital.

Note N—Stock Plans

Under various stock plans, officers, employees, and outside directors have received or may receive grants of restricted stock, stock units, stock appreciation rights or options to purchase common stock. Grants have been made at the discretion of the Committees of the Board of Directors. Grants generally vest either on a straight-line basis over four years or on a cliff basis over three years. Shares offered under the plan are authorized but unissued shares.

Recipients of restricted stock do not pay any cash consideration to the Company for the shares and have the right to vote all shares subject to such grant. Restricted stock grants contain forfeitable rights to dividends. Dividends for these grants are accrued on the dividend payment dates but are not paid until the shares vest, and dividends accrued for shares that ultimately do not vest are forfeited. Recipients of stock units do not pay any cash consideration for the units, do not have the right to vote and do not receive dividends with respect to such units.

During the year ended December 31, 2021, the Company granted performance shares to its executives in the form of restricted stock. The shares granted contain (1) a performance condition based on Return on Invested Capital ("ROIC"), and (2) a market condition based on Total Shareholder Return ("TSR"). The ROIC performance condition and the TSR market condition measure the Company's performance against a peer group. Shares will be delivered at the end of a three-year vesting, TSR and ROIC performance period based on the Company's actual performance compared to the peer group. The ROIC performance condition is calculated first and has a range of possible outcomes of zero percent (0%) to one-hundred fifty percent (150%). The TSR condition is considered a modifier of the ROIC performance condition. The range for the TSR condition is seventy-five percent (75%) to one-hundred twenty-five percent (125%). The result calculated by multiplying the ROIC percentage by the TSR percentage is used to calculate the actual number of shares earned. The fair value of this award was determined using a Monte Carlo simulation with the following assumptions: a historical volatility of 38.0%, a 0% dividend yield, and a risk-free interest rate of 0.3%. The historical volatility was based on the most recent 2.81-year period for the Company and the components of the peer group. The stock price movements have been modeled such that the dividends are incorporated in the returns of each company's stock, therefore the Monte Carlo simulation reflects a 0% dividend yield for each stock. The use of a 0% dividend yield is mathematically equivalent to including the dividends in the calculation of TSR. The risk-free interest rate is equal to the yield, as of the valuation date, of the zero-coupon U.S. Treasury bill that is commensurate with the remaining performance period.

Unrecognized compensation cost is expected to be recognized over the next four years. Total unrecognized compensation cost, net of estimated forfeitures, for restricted stock and stock units was $75.3 million, $73.9 million and $71.6 million for the years ended December 31, 2021, 2020 and 2019, respectively.

The following table reflects activity under all stock plans from December 31, 2018 through December 31, 2021, and the weighted average exercise prices (in thousands, except per share amounts):

	Non-Executive Officer Time-Based Awards		Performance-Based Awards With Market Conditions		Performance-Based Awards Without Market Conditions		Total Awards With Performance Condition	
	Number of Shares/ Units	Weighted Average Grant Date Fair Value	Number of Shares/ Units	Weighted Average Grant Date Fair Value	Number of Shares/ Units	Weighted Average Grant Date Fair Value	Number of Shares/ Units	Weighted Average Grant Date Fair Value
Outstanding, December 31, 2018	1,085	$50.24	358	$45.93	608	$51.74	966	$49.58
Granted	434	$66.66	236	$74.01	—	—	236	$74.01
Restrictions lapsed	(557)	$50.29	(338)	$45.93	—	—	(338)	$45.93
Forfeited	(15)	$53.85	(20)	$45.93	—	—	(20)	$45.93
Outstanding, December 31, 2019	947	$57.67	236	$74.01	608	$51.74	844	$57.97
Granted	625	$54.92	223	$66.86	70	$47.45	293	$62.22
Restrictions lapsed	(526)	$54.57	—	—	(400)	$47.45	(400)	$47.45
Forfeited	(26)	$58.37	—	—	—	—	—	—
Outstanding, December 31, 2020	1,020	$57.57	459	$70.53	278	$56.83	737	$65.36
Granted	507	$76.49	167	$88.77	70	$56.83	237	$79.40
Restrictions lapsed	(530)	$60.10	—	—	(348)	$56.83	(348)	$56.83
Forfeited	(46)	$65.40	—	—	—	—	—	—
Outstanding, December 31, 2021	951	$65.85	626	$75.41	—	—	626	$75.41

The total fair value of shares vested was $78.0 million, $46.2 million and $57.0 million for the years ended December 31, 2021, 2020 and 2019, respectively.

At December 31, 2021, the total number of available shares to grant under the plans (consisting of either restricted stock, stock units, stock appreciation rights or options to purchase common stock) was approximately 3.9 million.

Note O—Net Income Per Share

The calculation of net income per share for the three years ended December 31, 2021, 2020 and 2019, are reflected in the following table (in thousands, except per share amounts):

	Year Ended December 31,		
	2021	2020	2019
Net income	$ 598,626	$ 306,276	$ 454,433
Basic:			
Weighted average shares	110,482	112,729	115,656
Diluted:			
Weighted average shares	110,482	112,729	115,656
Dilutive effect of potential common shares	1,236	589	755
Diluted weighted average shares	111,718	113,318	116,411
Net income per share:			
Basic	$ 5.42	$ 2.72	$ 3.93
Diluted	$ 5.36	$ 2.70	$ 3.90

Potential common shares include the dilutive effect of unvested performance-based restricted stock, restricted stock which contains forfeitable rights to dividends, and stock units.

Note P—Business Segments

The Company has three reportable segments: temporary and consultant staffing, permanent placement staffing, and risk consulting and internal audit services. Operating segments are defined as components of the Company for which separate financial information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assess performance. The temporary and consultant staffing segment provides specialized staffing in the accounting and finance, administrative and office, information technology, legal, advertising, marketing, and web design fields. The permanent placement staffing segment provides full-time personnel in the accounting, finance, administrative and office, and information technology fields. The risk consulting and internal audit services segment provides business and technology risk consulting and internal audit services.

The accounting policies of the segments are set forth in Note A. The Company evaluates performance based on income before net interest income, intangible assets amortization expense and income taxes.

The following table provides a reconciliation of service revenues and segment income by reportable segment to consolidated results (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Service revenues			
Temporary and consultant staffing	$ 4,038,743	$ 3,477,335	$ 4,412,125
Permanent placement staffing	569,921	370,109	533,432
Risk consulting and internal audit services	1,852,780	1,261,556	1,128,875
	$ 6,461,444	$ 5,109,000	$ 6,074,432
Segment income			
Temporary and consultant staffing	$ 393,872	$ 237,279	$ 410,153
Permanent placement staffing	106,465	28,799	83,885
Risk consulting and internal audit services	305,487	155,680	127,713
Combined segment income	805,824	421,758	621,751
Amortization of intangible assets	2,241	1,219	1,361
Interest income, net	(197)	(1,343)	(5,125)
Income before income taxes	$ 803,780	$ 421,882	$ 625,515

Service revenues presented above are shown net of eliminations of intersegment revenues. Intersegment revenues between temporary and consultant staffing segment and risk consulting and internal audit services segment were $580.4 million, $240.0 million and $172.4 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Revenue and direct costs related to the intersegment activity are reflected in the risk consulting and internal audit segment, including the costs of candidate payroll, fringe benefits and incremental recruiter compensation.

Assets by reportable segment are not presented as the Company does not allocate assets to its reportable segments, nor is such information used by management for purposes of assessing performance or allocating resources.

The Company operates internationally, with operations in North America, South America, Europe, Asia and Australia. The following tables represent revenues and long-lived assets by geographic location (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Service revenues (a)			
Domestic	$ 5,006,525	$ 3,984,742	$ 4,708,715
Foreign (b)	1,454,919	1,124,258	1,365,717
	$ 6,461,444	$ 5,109,000	$ 6,074,432

	December 31,		
	2021	2020	2019
Property and equipment, net			
Domestic	$ 76,757	$ 88,117	$ 99,365
Foreign	16,646	21,700	29,020
	$ 93,403	$ 109,817	$ 128,385

(a) There were no customers that accounted for more than 10% of the Company's total service revenues in any year presented.

(b) No individual country represented more than 10% of revenues in any year presented.

Note Q—Subsequent Events

On February 10, 2022, the Company announced the following:

Quarterly dividend per share	$.43
Declaration date	February 10, 2022
Record date	February 25, 2022
Payment date	March 15, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Robert Half International Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the consolidated financial statements, including the related notes, as listed in the index appearing under Item 15(a)(1), and the financial statement schedule listed in the index appearing under Item 15(a)(2), of Robert Half International Inc. and its subsidiaries (the "Company") (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting 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 audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Income taxes

As described in Notes A and K to the consolidated financial statements, the Company's operations are subject to U.S. federal, state and local, and foreign income taxes. In establishing its deferred income tax assets and liabilities and its provision for income taxes, management makes judgments and interpretations based on the enacted tax laws that are applicable to its operations in various jurisdictions. Deferred tax assets and liabilities are measured and recorded using current enacted tax rates, which management expects will apply to taxable income in the years in which those temporary differences are recovered or settled. Management also evaluates the need for valuation allowances to reduce deferred tax assets to realizable amounts. In determining the realizability of its deferred tax assets, management evaluates all positive and negative evidence and uses judgment regarding past and future events, including operating results, to help determine when it is more likely than not that all or some portion of the deferred tax assets may not be realized. As disclosed by management, the likelihood of a material change in the Company's expected realization of its deferred tax assets is dependent on future taxable income and the effectiveness of its tax planning strategies in the various relevant jurisdictions. The Company recorded a provision for income taxes of $205.2 million for the year ended December 31, 2021 and net deferred income tax assets of $134 million including a valuation allowance of $24.2 million as of December 31, 2021.

The principal considerations for our determination that performing procedures relating to income taxes is a critical audit matter are the significant judgment and estimation by management when assessing current enacted tax laws and published tax guidance as it relates to determining the provision for income taxes as well as in assessing the realizability of its deferred income tax assets, specifically related to evaluating positive and negative evidence regarding past and future events, including operating results. This resulted in significant audit effort, judgment, and subjectivity in performing procedures and evaluating audit evidence over income taxes. The audit effort involved the use of professionals with specialized skill and knowledge to assist in performing procedures and evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to income taxes, including management's controls over the application of current enacted tax laws and published tax guidance and their impact to the current year provision, the establishment of deferred tax assets and liabilities, and the evaluation of the realizability of deferred tax assets. These procedures also included, among others, (i) testing the provision for income taxes and the application of current enacted tax laws and published tax guidance, including the effective tax rate reconciliation, return to provision adjustments, and permanent and temporary differences, (ii) testing the underlying data used in establishing and measuring deferred tax assets and liabilities, and (iii) evaluating management's assessment of the realizability of deferred tax assets by evaluating factors used in management's assessment of positive and negative evidence regarding past and future events, including operating results and the related expected utilization of deferred tax assets. Professionals with specialized skill and knowledge were used to assist in the evaluation of the calculations, including application of relevant tax laws and published tax guidance.

/s/ PricewaterhouseCoopers LLP
San Francisco, California
February 14, 2022

We have served as the Company's auditor since 2002.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures. Management, including the Company's President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports the Company files and submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting. There have been no changes in the Company's internal controls over financial reporting identified in connection with the evaluation required by Rule 13a-15 of the Securities Exchange Act of 1934 that occurred during the Company's fourth quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2021, using criteria established in *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and concluded that the Company maintained effective internal control over financial reporting as of December 31, 2021.

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 and procedures may deteriorate.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2021, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Item 9B. Other Information

None.

PART III

Except as provided below in this Part III, the information required by Items 10 through 14 of Part III is incorporated by reference from Item 1 of this Report and from the registrant's Proxy Statement, under the captions *"Nomination and Election of Directors," "Beneficial Stock Ownership," "Compensation Discussion and Analysis," "Compensation Tables," "Corporate Governance," "The Board and Committees"* and *"Independent Registered Public Accounting Firm"* which Proxy Statement will be mailed to stockholders in connection with the registrant's annual meeting of stockholders, which is scheduled to be held in May 2022.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. Financial Statements

The following consolidated financial statements of the Company and its subsidiaries are included in Item 8 of this report:

2. Financial Statement Schedules

Schedules I, III, IV and V have been omitted as they are not applicable.

3. Exhibits

Exhibit No.	Exhibit
3.1	Restated Certificate of Incorporation, incorporated by reference to Exhibit 3.1 to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2009.
3.2	Amended and Restated By-Laws, incorporated by reference to Exhibit 3.2 to Registrant's Current Report on Form 8-K dated February 13, 2020.
4.1	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.
*10.1	Form of Power of Attorney and Indemnification Agreement, incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2002.
*10.2	Employment Agreement between the Registrant and Harold M. Messmer, Jr., incorporated by reference to (i) Exhibit 10.(c) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1985(P), (ii) Exhibit 10.2(b) to Registrant's Registration Statement on Form S-1 (No. 33-15171)(P), (iii) Exhibit 10.2(c) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1987(P), (iv) Exhibit 10.2(d) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1988(P), (v) Exhibit 28.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1990(P), (vi) Exhibit 10.8 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1991(P), (vii) Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1993(P), (viii) Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993, (ix) Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1995, (x) Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, (xi) Exhibit 10.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1996, (xii) Exhibit 10.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1997, (xiii) Exhibit 10.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, (xiv) Exhibit 10.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, (xv) Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2004, (xvi) Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2008, (xvii) Exhibit 10.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, (xviii) Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated November 7, 2019, and (xix) Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.
*10.3	Amended and Restated Deferred Compensation Plan, incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2008.
*10.4	Amended and Restated Severance Agreement dated as of February 9, 2011, between Registrant and Paul F. Gentzkow, incorporated by reference to Exhibit 10.8 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.
*10.5	Agreement dated as of July 31, 1995, between Registrant and Paul F. Gentzkow, incorporated by reference to Exhibit 10.6 to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2000.
*10.6	Form of Amended and Restated Severance Agreement, incorporated by reference to Exhibit 10.10 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.
*10.7	Form of Indemnification Agreement for Directors of the Registrant, incorporated by reference to Exhibit 10.27 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1989(P).
*10.8	Form of Indemnification Agreement for Executive Officers of Registrant, incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2000.
*10.9	Senior Executive Retirement Plan, as amended and restated December 15, 2019, incorporated by reference to Exhibit 10.9 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.
*10.10	Form of Part-Time Employment Agreement, as amended and restated, incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2014.

Exhibit No.	Exhibit
*10.11	Annual Performance Bonus Plan, as amended and restated, incorporated by reference to Exhibit 99.1 to Registrant's Current Report on Form 8-K dated May 23, 2013.
*10.12	Summary of Outside Director Cash Remuneration, incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2010.
10.13	Stock Incentive Plan, as amended and restated, dated February 10, 2022.
*10.14	Stock Incentive Plan—Form of Restricted Share Agreement for Executive Officers effective through February 11, 2020, incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2013.
*10.15	Stock Incentive Plan—Form of Stock Option Agreement for Executive Officers, incorporated by reference to Exhibit 99.4 to Registrant's Current Report on Form 8-K dated May 3, 2005.
*10.16	Stock Incentive Plan—Form of Restricted Share Agreement for Outside Directors effective through October 28, 2020, incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2006.
*10.17	Stock Incentive Plan—Form of Stock Option Agreement for Outside Directors, incorporated by reference to Exhibit 99.6 to Registrant's Current Report on Form 8-K dated May 3, 2005.
*10.18	Stock Incentive Plan—Form of Restricted Share Agreement for Executive Officers effective through October 28, 2020, incorporated by reference to Exhibit 10.18 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.
*10.19	Stock Incentive Plan– Form of Restricted Share Agreement for Executive Officers effective October 29, 2020, incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2020.
*10.20	Stock Incentive Plan–Form of Restricted Share Agreement for Independent Directors effective October 29, 2020, incorporated by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2020.
10.21	Credit Agreement, dated as of May 11, 2020, among the Company, the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent, incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K dated May 15, 2020.
10.22	Guaranty, dated May 11, 2020, by Protiviti Inc. in favor of JPMorgan Chase Bank, N.A., as administrative agent, incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K dated May 15, 2020.
10.23	Amendment No.1, dated May 6, 2021 to Credit Agreement Dated as of May 11, 2020, incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K dated May 11, 2021.
21.1	Subsidiaries of the Registrant
23.1	Independent Registered Public Accounting Firm's Consent.
31.1	Rule 13a-14(a) Certification of Chief Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1	Rule 1350 Certification of Chief Executive Officer.
32.2	Rule 1350 Certification of Chief Rule 1350 Certification of Chief Financial Officer.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document

Exhibit No.	Exhibit
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Management contract or compensatory plan.
(P) This Exhibit was originally filed in paper format. Accordingly, a hyperlink has not been provided.

Item 16. Form 10-K Summary

None.

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.

ROBERT HALF INTERNATIONAL INC.
(Registrant)

Date: February 14, 2022	By:	/s/ MICHAEL C. BUCKLEY
		Michael C. Buckley Executive Vice President, Chief Financial Officer (Principal Financial Officer)

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.

Date: February 14, 2022	By:	/s/ HAROLD M. MESSMER, JR.
		Harold M. Messmer, Jr. Executive Chairman of the Board, and a Director
Date: February 14, 2022	By:	/s/ M. KEITH WADDELL
		M. Keith Waddell President Chief Executive Officer and a Director (Principal Executive Officer)
Date: February 14, 2022	By:	/s/ JULIA L. CORONADO
		Julia L. Coronado, Director
Date: February 14, 2022	By:	/s/ DIRK A. KEMPTHORNE
		Dirk A. Kempthorne, Director
Date: February 14, 2022	By:	/s/ MARC H. MORIAL
		Marc H. Morial, Director
Date: February 14, 2022	By:	/s/ BARBARA J. NOVOGRADAC
		Barbara J. Novogradac, Director
Date: February 14, 2022	By:	/s/ ROBERT J. PACE
		Robert J. Pace, Director
Date: February 14, 2022	By:	/s/ FREDERICK A. RICHMAN
		Frederick A. Richman, Director
Date: February 14, 2022	By:	/s/ MICHAEL C. BUCKLEY
		Michael C. Buckley Executive Vice President, Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Schedule II—Valuation and Qualifying Accounts
(in thousands)

	Balance at Beginning of Period		Charged to Expenses	Deductions	Translation Adjustments	Balance at End of Period
Year ended December 31, 2019						
Allowance for doubtful accounts receivable	$ 27,678		9,868	(8,687)	(103)	$ 28,756
Deferred tax valuation allowance	$ 23,072		719	(2,154)	(19)	$ 21,618
Year ended December 31, 2020						
Allowance for credit losses	$ 23,443	(a)	4,200	(7,906)	(120)	$ 19,617
Deferred tax valuation allowance	$ 21,618		3,462	(2,333)	1,385	$ 24,132
Year ended December 31, 2021						
Allowance for credit losses	$ 19,617		9,464	(6,827)	(724)	$ 21,530
Deferred tax valuation allowance	$ 24,132		5,635	(3,936)	(1,633)	$ 24,198

(a) In accordance with its adoption of ASC 326 *Current Expected Credit Losses Model,* on January 1, 2020, the Company established allowances based on expected losses due to credit risk of its customers.

EXHIBIT 4.1

Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934

Description of Capital Stock

As of December 31, 2021, Robert Half International Inc., a Delaware corporation (the "Company"), had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: Common Stock, par value $.001 per share (the "Common Stock"). The following summary includes a brief description of the Common Stock, as well as certain related additional information. The summary is not complete and is qualified in its entirety by reference to the Company's Restated Certificate of Incorporation (the "Certificate of Incorporation") and By-Laws, as amended and restated (the "By-Laws"), which are filed as exhibits to this Annual Report on Form 10-K.

Authorized Shares

Pursuant to the Certificate of Incorporation, the total number of shares of stock that the Company has authority to issue is 265,000,000 shares, consisting of 260,000,000 shares of Common Stock and 5,000,000 shares of Preferred Stock, par value $.001 per share (the "Preferred Stock").

The Company's Board of Directors is authorized to issue Preferred Stock in one or more series, with such voting powers, or without voting powers, and with such designations, preferences, rights, and qualifications, limitations or restrictions thereon as the Board of Directors may determine, and as are not stated and expressed in the Certificate of Incorporation, or any amendment thereto, which could affect the relative voting power or other rights of the holders of Common Stock.

Voting Rights

Each share of Common Stock entitles the holder to one vote on each matter voted on by stockholders. Under Section 5 of Article II of the Company's By-Laws, except where other provision is made by law, by the Certificate of Incorporation or by the By-Laws, all matters shall be decided by the vote of a majority in voting interest of the stockholders present in person or by proxy and entitled to vote on that matter. Except as provided in Section 5 of Article III of the Company's By-Laws or as otherwise required by law or by the Certificate of Incorporation, each director shall be elected by the vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, provided that if on the record date for such meeting or the advance notice date for nominations at such meeting, the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. There is no cumulative voting.

Dividend Rights

The holders of shares of Common Stock shall be entitled to receive such dividends as may be declared by the Board of Directors.

Liquidation Rights

In the event of voluntary or involuntary liquidation of the Company, the holders of shares of Common Stock shall be entitled to receive pro rata all of the remaining assets of the Company available for distribution to its stockholders after all amounts to which the holders of shares of Preferred Stock are entitled have been paid or set aside in cash for payment.

Other Rights

The Company’s Common Stock has no conversion rights, sinking fund provisions, redemption provisions or preemptive rights.

Stock Exchange Listing

The Company’s Common Stock is listed on the New York Stock Exchange under the ticker symbol “RHI.”

Transfer Agent and Registrar

The transfer agent and registrar for the Company’s Common Stock is Computershare Investor Services.

Potential Anti-Takeover Effects of the Preferred Stock

Certain provisions of the Delaware General Corporation Law (“DGCL”), the Certificate of Incorporation and the By-Laws summarized in the paragraphs above and in the following paragraphs may have an anti-takeover effect. In other words, they could delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in its best interests, including those attempts that might result in a premium over the market price for the shares held by such stockholder.

Certain Provisions of the Certificate of Incorporation and the By-Laws

Under the By-Laws, a special meeting of the stockholders for any purpose or purposes, unless otherwise prescribed by statute, may only be called by the Chairman of the Board, the Vice Chairman of the Board or the Chief Executive Officer or by order of the Board of Directors.

The By-Laws sets forth advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the Board of Directors or a committee of the Board of Directors.

Under the Certificate of Incorporation, the Board of Directors has the ability to authorize undesignated preferred stock which make it possible for the Board of Directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of the Company. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of the Company.

Certain Provisions of Delaware Law

The Company is subject to Section 203 of the DGCL. Section 203 of the DGCL prohibits persons deemed “interested stockholders” from engaging in a “business combination” with a publicly-held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation’s voting stock and a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the Company’s Board of Directors, such as discouraging takeover attempts that might result in a premium over the market price of the Company’s Common Stock.

ROBERT HALF INTERNATIONAL INC.

STOCK INCENTIVE PLAN

(As Amended and Restated February 10, 2022 (the "Effective Date"))

SECTION 1. ESTABLISHMENT AND PURPOSE.

The purpose of the Plan is to promote the long-term success of the Company and the creation of stockholder value by (a) encouraging Participants to focus on critical long-range objectives, (b) encouraging the attraction and retention of individuals with exceptional qualifications and (c) linking Participants directly to stockholder interests through increased stock ownership. The Plan seeks to achieve this purpose by providing for Awards in the form of Restricted Shares, Performance Shares, Stock Units, Performance Units, Options (which may constitute incentive stock options or nonstatutory stock options) or stock appreciation rights.

SECTION 2. DEFINITIONS.

"Adjustment Provisions" shall mean the terms and conditions applicable to the adjustment of an Award subject to a Performance Condition, as set forth in the agreement for such Award.

"Affiliate" shall mean any entity other than a Subsidiary, if RHI and/or one or more Subsidiaries own not less than fifty percent (50%) of such entity.

"Award" shall mean any award of an Option, a SAR, a Restricted Share, a Performance Share, a Stock Unit or a Performance Unit under the Plan.

"Board of Directors" shall mean the Board of Directors of RHI, as constituted from time to time.

"Certification Date" means the date that the Committee makes its written certification of a Final Award.

"Change in Control" shall mean the occurrence of any of the following events:

(i) Any person or group (as such terms are defined in Section 13(d)(3) of the Exchange Act), other than an employee benefit plan sponsored by the Company or a corporation owned (directly or indirectly), by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, shall become the beneficial owner of securities of RHI representing 20% or more, of the combined voting power of then outstanding securities ordinarily (and apart from rights accruing in special circumstances) having the right to vote in the election of directors, as a result of a tender or exchange offer, open market purchases, privately negotiated purchases or otherwise;

provided, however, that a Change in Control shall not be deemed to include the acquisition by any such person or group of securities representing 20% or more of RHI if such party has acquired such securities not with the purpose nor with the effect of changing or influencing the control of RHI, nor in connection with or as a participant in any transaction having such purposes or effect, but excluding from this exception such person or group (A) making any public announcement with respect to the voting of such shares at any meeting to consider a merger, consolidation, sale of substantial assets or other business combination or extraordinary transaction involving RHI, (B) making, or in any way participating in, any "solicitation" of "proxies" (as such terms are defined or used in Regulation 14A under the Exchange Act) to vote any voting securities of RHI (including, without limitation, any such solicitation subject to Rule 14a-11 under the Exchange Act) or seeking to advise or influence any party with respect to the voting of any voting securities of RHI, directly or indirectly, relating to a merger or other business combination involving RHI or the sale or transfer of substantial assets of RHI, (C) forming, joining or in any way participating in any "group" within the meaning of Section 13(d)(3) of the Exchange Act with respect to any voting securities of RHI, directly or indirectly, relating to a merger or other business combination involving RHI or the sale or transfer of any substantial assets of RHI, or (D) otherwise acting, alone or in concert with others, to seek control of RHI or to seek to control or influence the management or policies of RHI.

(ii) The liquidation or dissolution of RHI.

(iii) A change in the composition of the Board of Directors occurring within a two-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" shall mean directors who either (A) are directors of RHI as of the date hereof, or (B) are elected, or nominated for election, to the Board of Directors with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to RHI). As a result of or in connection with any cash tender offer, merger, or other business combination, sale of assets or contested election, or combination of the foregoing, the persons who were directors of RHI just prior to such event shall cease within one year to constitute a majority of the Board of Directors.

(iv) RHI ceases to be an independent publicly owned corporation.

(v) RHI (A) merges or consolidates with or into another corporation in which the holders of the Stock immediately before such merger or reorganization do not, immediately following such merger or reorganization, hold as a group on a fully-diluted basis in substantially the same proportions as immediately before such merger or reorganization, both the ability to elect at least a majority of the directors of the surviving corporation and at least a majority in value of the surviving corporation's outstanding equity securities, or (B) sells or otherwise disposes of all or substantially all of its assets.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Committee" shall mean a committee of one or more members of the Board of Directors appointed by the Board of Directors (or, as the context permits, a subcommittee of one or more members of the Board appointed by the Committee) to administer the Plan in accordance with the provisions hereof.

"Company" shall mean Robert Half International Inc., a Delaware corporation, and its Subsidiaries.

"Consultant" shall mean a consultant or advisor who provides bona fide services to the Company or an Affiliate as an independent contractor.

"Eligible Participant" shall mean (i) any individual who is a common-law employee of the Company or an Affiliate; (ii) a member of the Board of Directors; (iii) a member of the board of directors of a Subsidiary or an Affiliate; or (iv) a Consultant.

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

"Executive Officer" shall mean an officer as defined in Rule 16a-1(f) under the Exchange Act, or any successor provision.

"Exercise Price" shall mean, in the case of an Option, the amount for which one Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Award. "Exercise Price," in the case of a SAR, shall mean an amount, as specified in the applicable SAR Award, which is subtracted from the Fair Market Value of a Share in determining the amount payable upon exercise of such SAR.

"Fair Market Value" shall mean the closing price on the New York Stock Exchange on the date the value is to be determined as reported on the Yahoo! Finance website or its successor, or at such time that there is no such website, in THE WALL STREET JOURNAL (Western Edition). If there are no trades on such date, the closing price on the latest preceding business day upon which trades occurred shall be the Fair Market Value.

"Final Award" shall mean the number of shares remaining subject to an Award after application of the Adjustment Provisions.

"ISO" shall mean an employee incentive stock option described in Code Section 422.

"Misconduct Termination" shall mean a termination by the Company of a Participant's Service by reason of the Participant's willful dishonesty towards, fraud upon, or deliberate injury or attempted injury to the Company, or by reason of the Participant's willful material breach of any employment agreement with the Company, which has resulted in material injury to the Company; provided, however, that a Participant's Service shall not be deemed to have terminated in a Misconduct Termination if such termination took place as a result of any act or omission believed by the Participant in good faith to have been in the interest of the Company.

"Nonstatutory Option" or "NSO" shall mean an employee stock option that is not an ISO.

"Option" shall mean an ISO or Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.

"Optionee" shall mean a person who holds an Option or SAR.

"Original Award" shall mean the number of shares initially granted pursuant to an Award made subject to a Performance Condition.

"Other Agreement" shall mean any written agreement, whether entered into prior to or subsequent to, the adoption of this plan or the making of an Award under this plan, between Participant and the Company.

"Outside Director" shall mean a member of the Board of Directors who is not a common-law employee of the Company.

"Outside Director Retirement" shall mean termination of an Outside Director's Service after the later to occur of (i) the 7th anniversary of the Outside Director's first day of service with RHI as a member of the Board of Directors or (ii) the Outside Director's 62nd birthday.

"Participant" shall mean a person who holds an Award.

"Performance Condition" shall mean a performance condition based on a Performance Goal established with respect to an Award in accordance with the provisions hereof.

"Performance Goal" shall mean one or more of the following objective measurable performance factors, and any adjustments thereto, as determined by the Committee with respect to a Performance Period: (i) operating income; (ii) pre-tax or after-tax earnings; (iii) cash flow; (iv) sales or revenue; (v) expenses; (vi) gross or net profit margin; (vii) working capital; (viii) return on equity or assets; (ix) earnings per share; (x) stock price; (xi) price/earnings ratio; (xii) debt or debt-to-equity; (xiii) writeoffs; (xiv) cash; (xv) assets; (xvi) total shareholder return; (xvii) liquidity and/or (xviii) any other performance factor selected by the Committee, either with respect to the Company and/or one or more of its operating units or with respect to one or more other companies or an index of companies, on an absolute or relative basis; provided, however, that, if the Performance Condition is intended to satisfy the requirements of Code Section 162(m), it must be objective and any adjustments thereto must be objectively verifiable adjustments permitted and pre-established by the Committee in accordance with Code Section 162(m).

"Performance Period" shall mean the period of Service to which the Performance Condition relates, which period shall not be less than one year.

"Performance Share" shall mean a Restricted Share that has a Performance Condition attached. A Performance Share is a type of Restricted Share and any reference herein to Restricted Shares shall be deemed to also apply to Performance Shares unless the context clearly indicates otherwise.

"Performance Unit" shall mean a Stock Unit that has a Performance Condition attached. A Performance Unit is a type of Stock Unit and any reference herein to Stock Units shall be deemed to also apply to Performance Units unless the context clearly indicates otherwise.

"Plan" shall mean this Stock Incentive Plan of Robert Half International Inc., as set forth herein and as it may be amended from time to time.

"Protiviti Participant" shall mean a Participant who is an employee of Protiviti Inc. (a Subsidiary) or its Subsidiaries.

"Protiviti Retirement" shall mean any voluntary termination of employment with the Company and its subsidiaries by the Protiviti Participant on or after the later to occur of: (a) the first day coinciding with or after the Protiviti Participant's 60th birthday, (b) the Protiviti Participant's completion of at least 25 years of cumulative service to the Company, Arthur Andersen LLP, Deloitte Touche Tohmatsu, PricewaterhouseCoopers, KPMG International, Ernst & Young International, and/or any of their respective affiliates, or any other industry-related service acceptable to the Committee, and (c) five years after the date that the Protiviti Participant was first employed by Protiviti Inc.

"Purchase Price" shall mean the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Committee.

"Restricted Share" shall mean a Share awarded under Section 6 of the Plan.

"Restricted Share Award" shall mean the agreement between RHI and the recipient of a Restricted Share, or the notice to the recipient, which contains the terms, conditions and restrictions pertaining to such Restricted Shares.

"RHI" shall mean Robert Half International Inc., a Delaware corporation.

"SAR" shall mean a stock appreciation right granted under the Plan.

"SAR Award" shall mean the agreement between RHI and an Optionee, or the notice to the Optionee, which contains the terms, conditions and restrictions pertaining to his or her SAR.

"Section 16 Participant" shall mean a Participant who is subject to Section 16 of the Exchange Act with respect to transactions in RHI securities.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Service" shall mean service as an Eligible Participant.

"Share" shall mean one share of Stock, as adjusted in accordance with the adjustment provisions of the Plan (if applicable).

"Staffing/Headquarters Participant" shall mean a Participant other than a Protiviti Participant.

"Staffing/Headquarters Retirement" shall mean any voluntary termination by a Staffing/ Headquarters Participant of employment with the Company on or after the later to occur of (a) the Staffing/Headquarters Participant's 55th birthday, or (b) the 20th anniversary of the Staffing/ Headquarters Participant's first day of service with the Company as a full-time employee.

"Stock" shall mean the common stock of RHI.

"Stock Option Award" shall mean the agreement between RHI and an Optionee, or the notice to the Optionee, which contains the terms, conditions and restrictions pertaining to his or her Option.

"Stock Unit" shall mean a bookkeeping entry representing the equivalent of one Share, as awarded under the Plan.

"Stock Unit Award" shall mean the agreement between RHI and the recipient of a Stock Unit, or the notice to the recipient, which contains the terms, conditions and restrictions pertaining to such Stock Unit.

"Subsidiary" shall mean any corporation, if RHI and/or one or more other Subsidiaries own not less than fifty percent (50%) of the total combined voting power of all classes of outstanding stock of such corporation. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

"Total and Permanent Disability" shall mean a (i) a physical or mental condition which, in the judgment of the Committee based on competent medical evidence satisfactory to the Committee (including, if required by the Committee, medical evidence obtained by an examination conducted by a physician selected by the Committee), renders the Participant unable to engage in any substantial gainful activity for the Company and which condition is likely to result in death or to be of long, continued and indefinite duration, or (ii) a judicial declaration of incompetence.

"Vested" or "Vesting" shall mean that the relevant portion of the Award has satisfied its Vesting Schedule and any Performance Conditions and shall be released to the Participant or may be exercised by the Participant, as applicable.

"Vesting Schedule" shall mean the requirement that all or a portion of an Award may not be released or exercised, as applicable, until a specified period of time shall have lapsed.

SECTION 3. ADMINISTRATION.

(a) Committee Procedures. One or more Committees appointed by the Board of Directors shall administer the Plan. The Board of Directors shall designate one of the members of the Committee as chairperson. Unless the Board of Directors provides otherwise, the Compensation Committee shall be the Committee. The Board of Directors may also at any time terminate the functions of the Committee and reassume all powers and authority previously delegated to the Committee.

The Committee shall have membership composition which enables (i) Awards to qualify for exemption under Rule 16b-3 with respect to persons who are subject to Section 16 of the Exchange Act and (ii) Awards that are intended to qualify as "performance-based compensation" under Section 162(m) of the Code to so qualify. Only the Compensation Committee may make Award grants and administer the Plan with respect to Section 16 Participants.

The Compensation Committee may also appoint one or more separate subcommittees composed of one or more directors of RHI who need not qualify under either Rule 16b-3 or Section 162(m) of the Code, who may administer the Plan with respect to persons who are not subject to Section 16 of the Exchange Act and/or Awards that are not intended to qualify as "performance-based compensation" under Section 162(m) of the Code.

(b) Committee Responsibilities. Subject to the provisions of the Plan, the Committee shall have full authority and discretion to take the following actions:

(i) To interpret the Plan and to apply its provisions;

(ii) To adopt, amend or rescind rules, procedures and forms relating to the Plan;

(iii) To authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;

(iv) To determine when Awards are to be granted under the Plan;

(v) To select the Eligible Participants who are to receive Awards under the Plan;

(vi) To determine the number of Shares to be made subject to each Award;

(vii) To prescribe the terms and conditions of each Award, including (without limitation, as applicable) the Exercise Price or Purchase Price, the Vesting Schedule of the Award (including accelerating the Vesting of Awards), any Performance Conditions and any other provisions relating to such Award;

(viii) To prescribe the terms and conditions of each Option, including (without limitation) the Exercise Price, the Vesting Schedule or duration of the Option (including accelerating the Vesting of the Option), whether such Option is to be classified as an ISO or as a Nonstatutory Option, any Performance Conditions and the other provisions of the Stock Option Award relating to such Option;

(ix) To amend any outstanding Award subject to applicable legal restrictions and, to the extent required, with the consent of the Participant who entered into such agreement;

(x) To prescribe the consideration for the grant of each Award under the Plan and to determine the sufficiency of such consideration;

(xi) To determine whether Awards under the Plan will be granted in replacement of other grants under an incentive or other compensation plan of an acquired business;

(xii) To correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award;

(xiii) To take any other actions deemed necessary or advisable for the administration of the Plan;

(xiv) To determine, at the time of granting an Award or thereafter, that such Award shall Vest as to all or part of the Shares subject to such Award in the event of a Change in Control.

(xv) To accelerate the Vesting, or extend the post-termination exercise term, of Awards at any time and under such terms and conditions as it deems appropriate.

In addition, without amending the Plan, the Committee may grant Awards under the Plan to eligible employees or Consultants who are foreign nationals on such terms and conditions different from those specified in this Plan as may in the judgment of the Committee be necessary or desirable to foster and promote achievement of the purposes of the Plan, and, in furtherance of such purposes the Committee may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with provisions of laws in other countries in which the Company operates or has employees.

Subject to the requirements of applicable law, the Board of Directors may authorize one or more officers of RHI to grant Awards and the Committee may designate persons other than members of the Committee to carry out its responsibilities, and the Committee may prescribe such conditions and limitations as it may deem appropriate, except that the Board of Directors or the Committee may not delegate its authority with regard to Awards to persons subject to Section 16 of the Exchange Act or Awards intended to qualify as “performance-based compensation” under Section 162(m) of the Code. All decisions, interpretations and other actions of the Committee shall be final and binding on all Participants, and all persons deriving their rights from a Participant. No member of the Committee shall be liable for any action that he has taken or has failed to take in good faith with respect to the Plan or any Award.

Except arising from any action taken, or failure to act, in bad faith, each member of the Committee, or of the Board of Directors, shall be indemnified and held harmless by RHI against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any agreement under the Plan, and (ii) from any and all amounts paid by him or her, with RHI's prior approval, in settlement thereof or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she shall have given RHI a reasonable opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under RHI's Certificate of Incorporation or By-laws, by contract, as a matter of law, or otherwise, or under any power that RHI may have to indemnify them or hold them harmless.

SECTION 4. ELIGIBILITY.

(a) General Rule. Only Eligible Participants may be granted Awards. In addition, only individuals who are employed as common-law employees by the Company may be granted ISOs.

(b) Limitation on Awards. In any fiscal year of RHI, no individual shall receive Awards covering in excess of 2,000,000 Shares in the aggregate; provided, however, that Outside Directors may only receive Awards covering up to 15,000 Shares in the aggregate per Outside Director in any fiscal year of RHI. The limitations under this Subsection shall be subject to adjustment pursuant to the adjustment provisions of the Plan.

SECTION 5. STOCK SUBJECT TO PLAN.

(a) Basic Limitation. Shares offered under the Plan shall be authorized but unissued Shares or treasury Shares. The maximum aggregate number of Shares subject to awards granted under the Plan that may be issued shall not exceed a total of 5,000,000 Shares, of which approximately 3,945,882 Shares remained available for grant as of the Effective Date. These limits shall be subject to the provisions of the next Subsection and shall be subject to adjustment pursuant to the adjustment provisions of the Plan. No fractional Shares shall be issued under the Plan.

(b) Additional Shares. If, on or after May 22, 2019, Restricted Shares are forfeited, then such Shares shall again become available for Awards under the Plan. If, on or after May 22, 2019, Stock Units, Options or SARs are forfeited or terminate for any reason before being exercised, then the corresponding Shares shall again become available for Awards under the Plan. If Stock Units are settled, then such Stock Units shall be counted in full against the number of Shares available for Awards regardless of the number of Shares (if any) actually issued in settlement of such Stock Units. If SARs are exercised, then such SARs shall be counted in full against the number of Shares available for Awards regardless of the number of Shares (if any) actually issued in settlement of such SARs. In the event that withholding tax liabilities arising from an Award other than an Option or SAR are satisfied on or after May 22, 2019 by the withholding of Shares by the Company, then the Shares so withheld shall again become available for Awards under the Plan. In the event that withholding tax liabilities arising from an Option or SAR are satisfied by the withholding of Shares by the Company, then the Shares so withheld shall not be added to the Shares available for Awards under the Plan. In addition, Shares that are exchanged by a Participant or withheld by the Company as full or partial payment in connection with the exercise or settlement of an Option or SAR shall not be available for subsequent Awards under the Plan and Shares repurchased on the open market with the proceeds of an Option exercise shall not again be made available for issuance under the Plan.

SECTION 6. RESTRICTED SHARES AND PERFORMANCE SHARES.

(a) Restricted Share Award. Each grant of Restricted Shares or Performance Shares under the Plan shall be evidenced by a Restricted Share Award between the recipient and RHI. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan, including those specified in any Other

Agreement. The provisions of the various Restricted Share Awards entered into under the Plan need not be identical.

(b) Payment for Awards. Subject to the following sentence and applicable law, Restricted Shares may be sold or awarded under the Plan for such consideration as the Committee may determine, including (without limitation) cash, cash equivalents, past services, future services, any tangible or intangible property, or any benefit to RHI, or any combination thereof. To the extent that an Award consists of newly issued Restricted Shares, the Award recipient shall furnish consideration with a value not less than the par value of such Restricted Shares in the form of cash, cash equivalents, past services rendered to the Company, any tangible or intangible property, any benefit to RHI, or any combination thereof, as the Committee may determine. To the extent an Award of Restricted Shares consists solely of treasury shares, the Award recipient shall furnish consideration in accordance with Section 153(c) of the General Corporation Law of the State of Delaware.

(c) Vesting. Each Award of Restricted Shares shall be subject to a Vesting Schedule. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Restricted Share Award or as specified in any Other Agreement. Unless the Restricted Share Award or an Other Agreement provides otherwise, each grant of Restricted Shares shall Vest with respect to twenty-five percent (25%) of the Shares covered by the grant on each of the first through fourth anniversaries of the date of grant, provided that the Participant's Service has not terminated on the applicable Vesting date. For grants made after the Effective Date, the Vesting Schedule on the date of grant shall provide that no portion of a grant of Restricted Shares shall vest prior to the first anniversary of the grant date, except that Awards covering Shares not in excess of five percent (5%) of the aggregate Shares authorized for grant under the Plan pursuant to Section 5(a) may contain a Vesting Schedule on the date of grant that provides for the vesting of some or all of the Shares subject to such Award prior to the first anniversary of the grant date. Notwithstanding the foregoing, a Restricted Share Award may provide for accelerated Vesting in the event of the Participant's Protiviti Retirement, Staffing/Headquarters Retirement, death or total and permanent disability, a Change in Control, or, if specified at the time of grant, termination of employment, including as provided in any Other Agreement. To the extent that an Award of Restricted Shares has not Vested prior to, or concurrently with, termination of a Participant's Service, such Award shall immediately terminate.

(d) Voting and Dividend Rights. The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend and other rights as RHI's other stockholders except as provided in Sections 6(f) and 12 hereof.

(e) Assignment or Transfer of Restricted Shares. Except as provided herein, or in a Restricted Share Award, or as required by applicable law, Restricted Shares shall not be anticipated, assigned, attached, garnished, optioned, transferred or made subject to any creditor's process, whether voluntarily, involuntarily or by operation of law until such shares have satisfied any applicable Vesting Schedule and Performance Conditions. Any act in violation of this Subsection shall be void. However, this Subsection shall not preclude a Participant from designating a beneficiary who will receive any outstanding Restricted Shares in the event of the Participant's death, nor shall it preclude a transfer of Restricted Shares by will or by the laws of descent and distribution.

(f) Dividends on Restricted Shares that Have Not Vested. Dividends may not be paid with respect to any portion of a Restricted Share Award that has not Vested. Any dividends declared with respect to any portion of such a Restricted Share Award prior to the Vesting of such portion shall be accrued. Such accrued dividends shall be paid within 30 days following Vesting, provided that any requirements of Section 12(i) have been satisfied. If all or a portion of such a Restricted Share Award terminates prior to Vesting, any accrued and unpaid dividends with respect to that portion of the Award shall be forfeited. After Vesting, dividends shall be paid as normal at the same time and to the same extent as dividends are paid on other Shares, provided that any applicable provisions of Section 12(i) have been satisfied.

(g) Release of Restricted Shares to Participants. So long as a Restricted Share is subject to forfeiture pursuant to a Vesting Schedule or Performance Condition, it shall be retained by the Company and shall not be released to a Participant, but such a Restricted Share shall be promptly released thereafter, subject to Section 12 hereof.

SECTION 7. TERMS AND CONDITIONS OF OPTIONS.

(a) Stock Option Award. Each grant of an Option under the Plan shall be evidenced by a Stock Option Award between the Optionee and RHI. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan, including those specified in any Other Agreement. The Stock Option Award shall specify whether the Option is an ISO or an NSO. The provisions of the various Stock Option Awards entered into under the Plan need not be identical. A Stock Option Award may not provide that a new Option will be granted automatically to the Optionee when he or she exercises a prior Option and pays the Exercise Price.

(b) Number of Shares. Each Stock Option Award shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with the adjustment provisions of the Plan. The maximum aggregate number of ISOs awarded under the Plan shall not exceed the number of Shares subject to the Plan under Section 5(a). The limitation of this Subsection shall be subject to adjustment pursuant to the adjustment provisions of the Plan.

(c) Exercise Price. Each Stock Option Award shall specify the Exercise Price. The Exercise Price of an Option shall not be less than 100 percent (100%) of the Fair Market Value of a Share on the date of grant. Subject to the foregoing in this Subsection, the Exercise Price under any Option shall be determined by the Committee at its sole discretion. The Exercise Price shall be payable in one of the forms permitted under the Plan and applicable law.

(d) Exercisability and Term. Each Stock Option Award shall be subject to a Vesting Schedule, which shall determine when such Option shall become exercisable. Unless the Stock Option Award or an Other Agreement provides otherwise, each Option shall become exercisable with respect to twenty-five percent (25%) of the Shares covered by such Option on each of the first through fourth anniversaries of the date of grant, provided that the Participant's Service has not terminated on the applicable date. For grants made after the Effective Date, the Vesting Schedule on the date of grant shall provide that no portion of a grant of Options shall vest prior to the first anniversary of the grant date, except that Awards covering Shares not in excess of five percent (5%) of the aggregate Shares authorized for grant under the Plan pursuant to Section 5(a) may contain a Vesting Schedule on the date of grant that provides for the vesting of some or all of the Shares subject to such Award prior to the first anniversary of the grant date. The term of an Option shall be ten (10) years from the date of grant unless the Stock Option Award provides for a shorter term. Notwithstanding the foregoing, a Stock Option Award may provide for accelerated Vesting in the event of the Optionee's Protiviti Retirement, Staffing/Headquarters Retirement, death or total and permanent disability, a Change in Control, or, if specified at the time of grant, termination of employment, including as provided in any Other Agreement, and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service, subject to the provisions of any Other Agreement. Options may be awarded in combination with SARs, and such an Award may provide that the Options will not be exercisable unless the related SARs are forfeited. Subject to the foregoing in this Subsection, the

Committee at its sole discretion shall determine when all or any installment of an Option is to become exercisable and when an Option is to expire.

(e) Nontransferability. Except as set forth in a Stock Option Award, or as provided by an Other Agreement, with respect to an NSO, during an Optionee's lifetime, his or her Option(s) shall be exercisable only by him and shall not be transferable, and in the event of an Optionee's death, his or her Option(s) shall not be transferable other than by will or by the laws of descent and distribution.

(f) Exercise of Options Upon Termination of Service. Each Stock Option Award shall set forth the extent to which the Optionee shall have the right to exercise the Option following termination of the Optionee's Service, and the right to exercise the Option of any executors or administrators of the Optionee's estate or any person who has acquired such Option(s) directly from the Optionee by bequest or inheritance. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of Service. Unless the Stock Option Award or an Other Agreement provides otherwise, Options which are not Vested at the time of an Optionee's termination of Service shall expire upon such termination, and any Vested Options shall remain outstanding and exercisable until the earlier of 90 days following such termination and the expiration of the Option's term. Notwithstanding the foregoing, if exercise of an Option during the 90-day period described in the previous sentence would subject the Optionee to liability under Section 16 of the Exchange Act by reason of transactions by the Optionee prior to the Optionee's termination of service ("Prior Transaction"), such Option shall be exercisable until the earlier of (a) its normal termination date and (b) the 30^{th} day after the first date upon which the Optionee would not be subject to Section 16 liability by reason of the Prior Transaction. Notwithstanding the foregoing, in the event of an Optionee's Misconduct Termination, effective as of the date notice of such termination is given by the Committee to the Optionee, all of the Optionee's Options (whether or not Vested) shall automatically terminate and lapse, unless the Committee shall determine otherwise.

(g) Modification, Extension and Renewal of Options. Within the limitations of the Plan, the Committee may modify, extend or renew outstanding Options. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the obligations under such Option. Options may not be repriced without the approval of RHI's stockholders.

(h) Dividend Equivalents. In no event shall dividends or dividend equivalents be provided or awarded with respect to Options.

SECTION 8. PAYMENT FOR OPTION SHARES.

(a) General Rule. The entire Exercise Price of Shares issued under the Plan shall be payable in lawful money of the United States of America, as permitted under this Section. Payment may be made by any combination of the methods described in this Section.

(b) Cash. Payment may be made by cash, check, wire transfer or similar means, subject to the requirements of applicable law.

(c) Surrender of Stock. Payment may be made all or in part by surrendering, or attesting to the ownership of, Shares which have been owned by the Optionee or his or her representative for such period of time required to avoid RHI's recognition of additional compensation expense with respect to the Option for financial reporting purposes as a result of the surrender or attestation of such previously owned shares. Such Shares shall be valued at their Fair Market Value on the date when the new Shares are purchased under the Plan.

(d) Same Day Sale. To the extent permitted by applicable law, payment may be made all or in part by delivery (on a form prescribed by the Committee) of an irrevocable direction to a securities broker to sell Shares and to deliver all or part of the sale proceeds to RHI in payment of the aggregate Exercise Price and/or applicable tax withholding.

(e) Other Forms of Payment. To the extent that a Stock Option Award so provides, payment may be made in any other form that is consistent with applicable laws (including the General Corporation Law of the State of Delaware), regulations and rules.

Notwithstanding anything to the contrary in this Section or in any agreement under the Plan, the Committee may disallow the use of any type of payment that the Committee determines, in its sole discretion, would result in adverse accounting or legal consequences to the Company or Affiliate.

SECTION 9. STOCK APPRECIATION RIGHTS.

(a) SAR Award. Each grant of a SAR under the Plan shall be evidenced by a SAR Award between the Optionee and RHI. Such SAR shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan, including those specified in any Other Agreement. The provisions of the various SAR Awards entered into under the Plan need not be identical. A SAR Award may not provide that a new SAR will be granted automatically to the holder thereof when he or she exercises a prior SAR.

(b) Number of Shares. Each SAR Award shall specify the number of Shares to which the SAR pertains and shall provide for the adjustment of such number in accordance with the adjustment provisions of the Plan.

(c) Exercise Price. Each SAR Award shall specify the Exercise Price, which may not be less than 100 percent (100%) of the Fair Market Value of a Share on the date of grant. A SAR Award may specify an Exercise Price that varies in accordance with a predetermined formula while the SAR is outstanding.

(d) Exercisability and Term. Each SAR Award shall be subject to a Vesting Schedule, which shall determine when such SAR shall become exercisable. Unless the SAR Award or an Other Agreement provides otherwise, each SAR shall become exercisable with respect to twenty-five percent (25%) of the Shares covered by such SAR on each of the first through fourth anniversaries of the date of grant, provided that the Participant's Service has not terminated on the applicable date. For grants made after the Effective Date, the Vesting Schedule on the date of grant shall provide that no portion of a grant of SARs shall vest prior to the first anniversary of the grant date, except that Awards covering Shares not in excess of five percent (5%) of the aggregate Shares authorized for grant under the Plan pursuant to Section 5(a) may contain a Vesting Schedule on the date of grant that provides for the vesting of some or all of the Shares subject to such Award prior to the first anniversary of the grant date. The term of the SAR shall be ten (10) years from the date of grant unless the SAR Award provides for a shorter term. Notwithstanding the foregoing, a SAR Award may provide for accelerated exercisability in the event of the Optionee's Protiviti Retirement, Staffing/Headquarters Retirement, death or total and permanent disability, a Change in Control, or, if specified at the time of grant, termination of employment, including as provided in any Other Agreement, and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service, subject to the provisions of any Other Agreement. SARs may be awarded in combination with Options, and such an Award may provide that the SARs will not be exercisable unless the related Options are forfeited. A SAR may be included in an ISO only at the time of grant but may be included in an NSO at the time of grant or thereafter. A SAR granted under the Plan may provide that it will be exercisable only in the event of a Change in Control.

(e) Exercise of SARs. The SAR Award may provide that, upon exercise of a SAR, the Optionee (or any person having the right to exercise the SAR after his or her death) shall receive from RHI (a) Shares, (b) cash or (c) a combination of Shares and cash. Unless otherwise provided in the SAR Award or an Other Agreement, upon exercise of a SAR, the Optionee (or any person having the right to exercise the SAR after his or her death) shall receive Shares from RHI, along with cash in lieu of any fractional Share. The amount of cash and/or the Fair Market Value of Shares received upon exercise of SARs shall, in the aggregate, be equal to the amount by which the Fair Market Value (on the date of surrender) of the Shares subject to the SARs exceeds the Exercise Price. Unless the SAR Award or an Other Agreement provides otherwise, SARs which have not Vested at the time of an Optionee's termination of Service shall expire upon such termination, and any Vested SARs which have not been exercised shall remain outstanding and exercisable until the earlier of 90 days following such termination and the expiration of the SAR's term. Notwithstanding the foregoing, if exercise of a SAR during the 90-day period described in the previous sentence would subject the Participant to liability under Section 16 of the Exchange Act by reason of transactions by the Participant prior to the Participant's termination of Service, such SAR shall be exercisable until the earliest of (a) its normal termination date and (b) the 30th day after the first date upon which the Participant would not be subject to Section 16 liability by reason of the prior transactions. Notwithstanding the foregoing, in the event of an Optionee's Misconduct Termination, effective as of the date notice of such termination is given by the Committee to the Optionee, all of the Optionee's SARs (whether or not Vested) shall automatically terminate and lapse, unless the Committee shall determine otherwise.

(f) Nontransferability. Except as set forth in a SAR Award, during an Optionee's lifetime, his or her SARs shall be exercisable only by him and shall not be transferable, and in the event of an Optionee's death, his or her SARs shall not be transferable other than by will or by the laws of descent and distribution.

(g) Modification or Assumption of SARs. Within the limitations of the Plan, the Committee may modify, extend or renew outstanding SARs. The foregoing notwithstanding, no modification of a SAR shall, without the consent of the Optionee, impair the Optionee's rights or increase the obligations under such SAR. SARs may not be repriced without the approval of RHI's stockholders.

(h) Dividend Equivalents. In no event shall dividend or dividend equivalents be provided or awarded with respect to SARs.

SECTION 10. STOCK UNITS AND PERFORMANCE UNITS.

(a) Stock Unit Award. Each grant of Stock Units or Performance Units under the Plan shall be evidenced by a Stock Unit Award between the recipient and RHI. Such Stock Units shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan, including those specified in any Other Agreement. The provisions of the various Stock Unit Awards entered into under the Plan need not be identical.

(b) Payment for Awards. To the extent that an Award is granted in the form of Stock Units, no cash consideration shall be required of the Award recipients.

(c) Vesting Conditions. Each Award of Stock Units shall be subject to a Vesting Schedule. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Unit Award or as specified in any Other Agreement. Unless the Stock Unit Award or an Other Agreement provides otherwise, each grant of Stock Units shall become exercisable with respect to twenty-five percent (25%) of the Shares covered by the grant on each of the first through fourth anniversaries of the date of grant, provided that the Participant's Service has not terminated on the applicable date. For grants made after the Effective Date, the Vesting Schedule on the date of grant shall provide that no portion of a grant of Stock Units shall vest prior to the first anniversary of the grant date, except that Awards covering Shares not in excess of five percent (5%) of the aggregate Shares authorized for grant under the Plan pursuant to Section 5(a) may contain a Vesting Schedule on the date of grant that provides for the vesting of some or all of the Shares subject to such Award prior to the first anniversary of the grant date. Notwithstanding the foregoing, a Stock Unit Award may provide for accelerated Vesting in the event of the Participant's Protiviti Retirement, Staffing/Headquarters Retirement, death or total and permanent disability, a Change in Control, or, if specified at the time of grant, termination of employment, including as provided in any Other Agreement. To the extent that an Award of Stock Units has not Vested prior to, or concurrently with, termination of a Participant's Service, such Award shall immediately terminate.

(d) Voting and Dividend Rights. The holders of Stock Units shall have no voting rights or rights to receive dividends. Prior to settlement or forfeiture, any Stock Unit awarded under the Plan may, at the Committee's discretion, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Share while the Stock Unit is outstanding. Dividend equivalents may not be converted into additional Stock Units. Settlement of dividend equivalents may be made only in the form of cash. Prior to distribution, any dividend equivalents which are not paid shall accrue and be subject to the same conditions and restrictions as the Stock Units to which they attach. Therefore, dividend equivalents may not be paid with respect to any Stock Unit that has not Vested. If any Stock Units terminate prior to Vesting, any accrued and unpaid dividend equivalents with respect to that portion of the Award shall be forfeited. After Vesting and settlement in Shares, dividends shall be paid on such Shares received in settlement of the Stock Units as normal at the same time and to the same extent as dividends are paid on other Shares, provided that any applicable provisions of Section 12(i) have been satisfied.

(e) Form and Time of Settlement of Stock Units. Settlement of Vested Stock Units may be made in the form of (a) cash, (b) Shares or (c) any combination of both, as determined by the Committee. Methods of converting Stock Units into cash may include (without limitation) a method based on the average Fair Market Value of Shares over a series of trading days. Vested Stock Units may be settled in a lump sum or in installments. The distribution may occur or commence when all Vesting conditions applicable to the Stock Units have been satisfied or have lapsed, or it may be deferred, in accordance with applicable law, to any later date. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Until an Award of Stock Units is settled, the number of such Stock Units shall be subject to adjustment pursuant to the adjustment provisions of the Plan.

(f) Death of Recipient. Any Stock Units Award that becomes payable after the recipient's death shall be distributed to the recipient's beneficiary or beneficiaries. Each recipient of a Stock Units Award under the Plan shall designate one or more beneficiaries for this purpose by filing the prescribed form with RHI. A beneficiary designation may be changed by filing the prescribed form with RHI at any time before the Award recipient's death. If no beneficiary was designated or if no designated beneficiary survives the Award recipient, then any Stock Units Award that becomes payable after the recipient's death shall be distributed to the recipient's estate.

(g) Creditors' Rights. A holder of Stock Units shall have no rights other than those of a general creditor of RHI. Stock Units represent an unfunded and unsecured obligation of RHI, subject to the terms and conditions of the applicable Stock Unit Award.

(h) Assignment or Transfer of Stock Units. Except as provided herein, or in a Stock Unit Award, or as required by applicable law, Stock Units shall not be anticipated, assigned, attached, garnished, optioned, transferred or made subject to any creditor's process, whether voluntarily, involuntarily or by operation of law. Any act in violation of this Subsection shall be void. However, this Subsection shall not preclude a Participant from designating a beneficiary who will receive any outstanding Stock Units in the event of the Participant's death, nor shall it preclude a transfer of Stock Units by will or by the laws of descent and distribution.

SECTION 11. NO RIGHTS AS A STOCKHOLDER

A Participant shall have no rights as a stockholder with respect to any Award until the date of the issuance of a stock certificate for any Shares covered by such award. No adjustments shall be made, except as provided in the adjustment provisions of the Plan.

SECTION 12. PERFORMANCE CONDITIONS.

(a) Any Award may be made subject to one or more Performance Conditions in addition to the Vesting Schedule imposed upon such grant. Nothing in this Section 12(a) shall override the minimum one-year vesting requirement as set forth in Sections 6(c), 7(d), 9(d) and 10(c).

(b) The determination as to whether any such grant is subject to a Performance Condition shall be made on or prior to the date of grant.

(c) The Performance Condition shall operate as specified in this Section 12.

(d) If an Award is made subject to one or more Performance Conditions, the Committee shall establish the Performance Period, Adjustment Provisions and Performance Goals for such Performance Conditions. In addition, the Compensation Committee shall determine how any forfeitures occurring as a result of a Performance Condition shall be allocated with respect to the Vesting Schedule of the Award.

(e) After the completion of the Performance Period relating to a Performance Condition, the Chief Financial Officer shall, with respect to each Award made subject to such Performance Condition, calculate the effect of the Adjustment Provisions on the Award and deliver such calculation to the Committee or its delegate. If the Committee has delegated its authority to certify the level of achievement with respect to the Performance Conditions, including the impact of the Adjustment Provisions, references to the "Committee" in this Section 12 shall mean such delegate.

(f) The Committee shall review the information submitted by the Chief Financial Officer and certify, in writing, its determination with respect to the impact of the Adjustment Provisions on the Award and the Final Award.

(g) If a portion of an Award made subject to a Performance Condition shall Vest prior to the satisfaction of any Performance Condition applicable to such portion by reason of death, Total and Permanent Disability or, if applicable, a Change in Control, then the Performance Condition shall be cancelled and none of such Award shall be subject to reduction or forfeiture as provided by the Performance Condition. Such Award shall be treated in accordance with the terms of this Plan relating to Vested shares.

(h) If a portion of an Award made subject to a Performance Condition shall satisfy a Vesting Schedule prior to the satisfaction of any Performance Condition applicable to such portion for any reason other than death, Total and Permanent Disability or a Change in Control, such portion of the Award shall not be released to or exercised by the Participant until after the Certification Date. No such satisfaction of a Vesting Schedule shall in any way be deemed a satisfaction, waiver or cancellation of the Performance Condition, and such portion shall remain subject to reduction and forfeiture as provided by the Performance Condition.

(i) Dividends or dividend equivalents may not be paid with respect to any Share subject to a Performance Condition until the Final Award with respect to such Share has been determined. Any dividends or dividend equivalents declared on any Shares prior to such determination shall be accrued. After determination of the Final Award, such accrued dividends or dividend equivalents shall be paid, subject to Section 6(f) hereof; provided, however, that if the Final Award is less than the Original Award, any accrued dividends or dividend equivalents attributable to the portion of the Award that has been forfeited shall also be forfeited. After determination of the Final Award has been made and Section 6(f) has been satisfied, dividends shall be paid as normal on such Shares at the same time and to the same extent as dividends are paid on other Shares.

SECTION 13. TERMINATION OF SERVICE; LEAVES OF ABSENCE.

Subject to the last sentence of this Section 13, a Participant's Service shall terminate when such person ceases to be an Eligible Participant as determined in the sole discretion of the Committee. A Participant's Service does not terminate if he or she is a common-law employee and goes on a bona fide leave of absence of less than six (6) consecutive months that was approved by the Company in writing and the terms of the leave provide for continued service crediting, or when continued service crediting is required by applicable law. However, for purposes of determining whether an Option is entitled to ISO status, a common-law employee's Service will be treated as terminating three (3) months after such employee went on leave, unless such employee's right to return to active work is guaranteed by law or by a contract. Service terminates in any event when the approved leave ends, unless such employee immediately returns to active work. The Committee determines which leaves count toward Service, and when Service terminates for all purposes under the Plan. Notwithstanding the foregoing, an Outside Director's Service shall terminate when he or she is neither a member of the Board of Directors nor a Consultant to RHI.

SECTION 14. DEATH; TOTAL AND PERMANENT DISABILITY.

All Awards granted to any Participant shall Vest upon such Participant's death or termination of the Participant's Service due to Total and Permanent Disability.

SECTION 15. PERSONS SUBJECT TO SECTION 16 OF THE EXCHANGE ACT.

Any Award held by an individual who is an Outside Director on both of (a) the grant date of such Award and (b) the effective date of a Change in Control, shall Vest upon the effective date of such Change in Control. Any Option or SAR Award held by an individual who is a Section 16 Participant at either or both of (a) the grant date of such Award or (b) the effective date of such individual's Outside Director Retirement, Protiviti Retirement or Staffing/Headquarters Retirement, as the case may be, shall Vest upon the effective date of such retirement. Any Options or SARs held by a Section 16 Participant which Vest by reason of the provisions of this Section 15 or by reason of death or Total and Permanent Disability shall remain outstanding until the earlier of its exercise or its original term.

SECTION 16. ADJUSTMENT OF SHARES.

(a) Adjustments. In the event of a subdivision of the outstanding Stock, or stock split or reverse stock split, a declaration of a dividend payable in Shares, a declaration of a dividend payable in a form other than Shares in an amount that has a material effect on the price of Shares, a combination or consolidation of the outstanding Shares (by reclassification or otherwise) into a lesser number of Shares, a recapitalization, reorganization, merger, liquidation, a spin-off, exchange of shares or a similar transaction without the receipt of consideration by the Company, the Committee shall make such equitable adjustments as it deems appropriate in one or more of:

(i) The number of Shares, Options, SARs, Restricted Shares and Stock Units available for future Awards under the Plan;

(ii) The per person per fiscal year limitations on Awards under the Plan and the maximum aggregate number of ISOs that may be awarded under the Plan;

(iii) The number of Shares covered by each outstanding Award;

(iv) The Exercise Price under each outstanding Option and SAR; or

(v) The number of Stock Units included in any prior Award which has not yet been settled.

Except as provided in this Section, a Participant shall have no rights by reason of any issue by RHI of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any dividend or any other increase or decrease in the number of shares of stock of any class.

Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding Awards may not be amended to reduce the exercise price of outstanding Options or SARs or cancel outstanding Options or SARs in exchange for cash, other Awards or Options or SARs with an exercise price that is less than the exercise price of the original Options or SARs without stockholder approval.

(b) Dissolution or Liquidation. To the extent not previously exercised or settled, Options, SARs and Stock Units shall terminate immediately prior to the dissolution or liquidation of RHI.

(c) Reorganizations. In the event that RHI is a party to a merger or other reorganization, outstanding Awards shall be subject to the agreement setting forth the terms of such reorganization. Such agreement may provide for:

(i) The continuation of the outstanding Awards by RHI, if RHI is a surviving corporation;

(ii) The assumption of the outstanding Awards by the surviving corporation or its parent or subsidiary;

(iii) The substitution by the surviving corporation or its parent or subsidiary of its own awards for the outstanding Awards;

(iv) Full exercisability or Vesting and accelerated expiration of the outstanding Awards; or

(v) Settlement of the full value of the outstanding Awards in cash or cash equivalents followed by cancellation of such Awards.

Nothing in this Section 16(c) shall obligate the Company, the Board or the Committee to treat all outstanding Awards in the same manner or to take any of the actions listed above with respect to any or all outstanding Awards.

(d) Reservation of Rights. Except as provided in this Section, a Participant shall have no rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend or any other increase or decrease in the number of shares of stock of any class. Any issue by RHI of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to an Award or the Exercise Price. The grant of an Award pursuant to the Plan shall not affect in any way the right or power of RHI to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 17. AWARDS UNDER OTHER PLANS.

RHI may grant awards under other plans or programs, so long as the terms and conditions are not in conflict with the terms of this Plan. Such awards may be settled in the form of Shares issued under this Plan. Such Shares shall be treated for all purposes under the Plan like Shares issued in settlement of Stock Units and shall, when issued, reduce the number of Shares available under the Plan.

SECTION 18. LEGAL AND REGULATORY REQUIREMENTS.

No Option may be exercised and no Stock may be issued or transferred pursuant to an award unless the Committee shall determine that such exercise, issuance or transfer complies with all relevant provisions of law, including, without limitation, the Securities Act, the Exchange Act, applicable state securities laws, and rules and regulations promulgated under each of the foregoing, and the requirements of any stock exchange upon which the Stock may then be listed or quotation system upon which the Stock may be quoted, and shall be further subject to the approval of counsel for RHI with respect to such compliance. If the Stock subject to this Plan is not registered under the Securities Act and under applicable state securities laws, the Committee may require that the Participant deliver to RHI such documents as counsel for RHI may determine are necessary or advisable in order to substantiate compliance with applicable securities laws and the rules and regulations promulgated thereunder. In no event shall RHI deliver, or be deemed obligated to deliver, cash in lieu of any Share by reason of any failure to satisfy the foregoing provisions.

So long as any restrictions or obligations imposed pursuant to this Plan shall apply to a Share, each certificate evidencing such Share shall bear an appropriate legend referring to the terms, conditions and restrictions. In addition, RHI may instruct its transfer agent that shares of Stock evidenced by such certificates may not be transferred without the written consent of RHI. Any attempt to dispose of such shares of Stock in contravention of such terms, conditions and restrictions shall be invalid. Certificates representing shares that have not Vested or with respect to which minimum withholding taxes have not been paid will be held in custody by RHI or such bank or other institution designated by the Committee.

SECTION 19. WITHHOLDING TAXES.

(a) General. To the extent required by applicable federal, state, local or foreign law, a Participant or his or her successor shall make arrangements satisfactory to RHI for the satisfaction of any withholding tax obligations that arise in connection with the Plan. RHI shall not be required to issue any Shares or make any cash payment under the Plan until such obligations are satisfied. In the event that such withholding taxes are not paid on a timely basis, as determined by RHI in its sole discretion, to the extent permitted by law RHI shall have the right, but not the obligation, to cause such withholding taxes to be satisfied by reducing the number of Shares or cash (if applicable) deliverable or by offsetting such withholding taxes against amounts otherwise due from the Company to the Participant. If withholding taxes are paid by reduction of the number of Shares deliverable to Optionee, such shares shall be valued at the Fair Market Value as of the date of exercise.

(b) Share Withholding. Unless otherwise provided by the Committee, a Participant may satisfy all or part of his or her minimum withholding or income tax obligations by having RHI withhold all or a portion of any Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Shares that he or she previously acquired. Subject to applicable law and accounting considerations, such Shares shall be valued at their Fair Market Value on the date when taxes otherwise would be withheld in cash. A Participant may elect to surrender, or attest to the ownership of, previously acquired Shares in excess of the amount required to satisfy his or her minimum withholding or income tax obligations provided that such Shares have been held by the Participant for such period of time required to avoid RHI's recognition of additional compensation expense for financial reporting purposes as a result of the surrender or attestation of such previously owned shares.

SECTION 20. NO EMPLOYMENT OR REELECTION RIGHTS.

No provision of the Plan, nor any right or Award granted under the Plan, shall be construed to give any person any right to become, to be treated as, or to remain an Eligible Participant. RHI and its Subsidiaries and Affiliates reserve the right to terminate any person's

Service at any time and for any reason, with or without notice. No provision of the Plan nor any right or Award granted under the Plan shall be construed to create any obligation on the part of the Board of Directors to nominate any Outside Director for reelection by RHI's stockholders, or confer upon any Outside Director the right to remain a member of the Board of Directors for any period of time, or at any particular rate of compensation.

SECTION 21. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan, as set forth herein, shall terminate automatically on the meeting of the stockholders of RHI in 2029, unless re-adopted or extended by RHI's stockholders prior to or on such date and may be terminated on any earlier date by the Board of Directors or the Compensation Committee, as described in the next Subsection.

(b) Right to Amend or Terminate the Plan. The Board of Directors or, to the extent permitted by applicable laws, rules or regulations, the Compensation Committee may amend or terminate the Plan at any time and from time to time. Rights and obligations under any Award granted before amendment or termination of the Plan shall not be materially impaired by such amendment or termination, except with consent of the person to whom the Award was granted. An amendment of the Plan shall be subject to the approval of RHI's stockholders to the extent required by applicable laws, regulations or rules, including, but not limited to, any applicable rules or regulations of the New York Stock Exchange.

(c) Effect of Amendment or Termination. No Shares shall be issued or sold under the Plan after the termination thereof, except upon exercise or settlement of an Award granted prior to such termination. The termination of the Plan, or any amendment thereof, shall not adversely affect any Shares previously issued or any Awards previously granted under the Plan.

SECTION 22. PLAN EFFECTIVENESS.

This Plan, as amended and restated in the form set forth herein, shall become effective upon its approval by RHI's stockholders.

END OF DOCUMENT

EXHIBIT 21.1

SUBSIDIARIES OF ROBERT HALF INTERNATIONAL INC.

Name of Subsidiary	Jurisdiction of Incorporation
Protiviti Inc.	Delaware
Protiviti Holdings Inc.	Delaware
RHHC LLC	Delaware
RH-TM Resources, Inc.	Delaware
Protiviti Government Services, Inc.	Maryland
Protiviti Pty. Limited	Australia
Robert Half Australia Pty. Limited	Australia
Robert Half Austria GmbH	Austria
Robert Half B.V.	Belgium
Robert Half Trabalho Temporário Ltda.	Brazil
Protiviti EOOD	Bulgaria
Robert Half Canada Inc.	Canada
Robert Half Chile Sociedad por Acciones	Chile
Robert Half Internacional Empresa De Servicios Transitorios Limitada	Chile
Protiviti Shanghai Co. Ltd.	China
Robert Half Human Resources Shanghai Company Limited	China
Robert Half Management Consulting (Shanghai) Company Limited	China
Robert Half Hong Kong Limited	China, Hong Kong SAR
Protiviti Hong Kong Co. Limited	China, Hong Kong SAR
Protiviti SAS	France
Robert Half International France SAS	France
Robert Half SAS	France
Protiviti GmbH	Germany
Robert Half Deutschland Beteiligungsgesellschaft mbH	Germany
Robert Half Deutschland GmbH & Co. KG	Germany

Name of Subsidiary	Jurisdiction of Incorporation
Protiviti Consulting Private Limited	India
Robert Half International Ireland Limited	Ireland
Protiviti Government Services S.r.l.	Italy
Protiviti S.r.l.	Italy
Protiviti LLC	Japan
Robert Half Japan Ltd.	Japan
Robert Half S.à r.l.	Luxembourg
Robert Half Holding S.à r.l.	Luxembourg
Protiviti B.V.	Netherlands
Robert Half International B.V.	Netherlands
Robert Half Nederland B.V.	Netherlands
Robert Half New Zealand Limited	New Zealand
Protiviti Pte. Ltd.	Singapore
Robert Half International Pte. Ltd.	Singapore
Protiviti Switzerland GmbH	Switzerland
Robert Half GmbH	Switzerland
Robert Half International (Dubai) Ltd.	United Arab Emirates
Protiviti Limited	United Kingdom
Robert Half Holdings Limited	United Kingdom
Robert Half Limited	United Kingdom

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-14706, 33-32622, 33-32623, 33-39187, 33-39204, 33-40795, 33-52617, 33-56639, 33-56641, 33-57763, 33-62138, 33-62140, 33-65401, 33-65403, 333-05743, 333-05745, 333-18283, 333-18339, 333-38786, 333-38820, 333-42471, 333-42573, 333-42343, 333-42269, 333-50068, 333-50094, 333-66038, 333-66042, 333-68193, 333-68135, 333-68273, 333-75694, 333-79793, 333-79829, 333-88001, 333-91173, 333-91151, 333-91167, 333-98737, 333-125044, 333-151015, 333-196291, and 333-231788) of Robert Half International Inc., of our report dated February 14, 2022, relating to the consolidated financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

San Francisco, California

February 14, 2022

EXHIBIT 31.1

Certification Pursuant to Rule 13a-14 under the Securities Exchange Act of 1934

I, M. Keith Waddell, certify that:

1. I have reviewed this report on Form 10-K of Robert Half International 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 functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2022

/s/ M. Keith Waddell

M. Keith Waddell
President & CEO

EXHIBIT 31.2

Certification Pursuant to Rule 13a-14 under the Securities Exchange Act of 1934

I, Michael C. Buckley, certify that:

1. I have reviewed this report on Form 10-K of Robert Half International 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 functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2022

/s/Michael C. Buckley

Michael C. Buckley
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K for the fiscal year ended December 31, 2021 of Robert Half International Inc. (the “Form 10-K”), I, M. Keith Waddell, Chief Executive Officer of Robert Half International Inc., certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Robert Half International Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Robert Half International Inc. and will be retained by Robert Half International Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

February 14, 2022

/s/ M. Keith Waddell

M. Keith Waddell
Chief Executive Officer
Robert Half International Inc.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K for the fiscal year ended December 31, 2021 of Robert Half International Inc. (the “Form 10-K”), I, Michael C. Buckley, Chief Financial Officer of Robert Half International Inc., certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Robert Half International Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Robert Half International Inc. and will be retained by Robert Half International Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

February 14, 2022

/s/Michael C. Buckley

Michael C. Buckley
Chief Financial Officer
Robert Half International Inc.