

**Charter of the Compensation Committee  
of the Board of Directors of  
Westaff, Inc.**

**Adopted as of February 27, 2006,  
and amended as of August 15, 2007**

**1. Purposes.**

The primary purposes of the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Westaff, Inc. (the “*Company*”) are to (a) evaluate officer and director compensation policies, goals, plans and programs; (b) determine the cash and non-cash compensation of the “officers” of the Company (“*officers*”) as defined in the rules promulgated under Section 16 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), (c) review and administer the Company’s equity-based and other incentive compensation plans for employees, (d) evaluate the performance of the Company’s officers; (e) assist the Board in evaluating potential candidates for officer positions with the Company; and (f) produce the Committee report and other disclosures required by the applicable rules and regulations of the Securities and Exchange Commission (the “*SEC*”) and other regulatory bodies for inclusion in the Company’s annual proxy statement.

**2. Composition.**

(a) At Least Three Members; Chairperson. The Committee shall consist of a minimum of three directors, all of whom shall be “independent,” as determined by the Board from time to time in accordance with the criteria set forth in Section 2(b) below. The Board shall designate a Committee member as the Chairperson of the Committee, or if the Board does not do so, the Committee members shall appoint a Committee member as Chairperson by a majority vote of the authorized number of Committee members.

(b) Independence. All members of the Committee shall be “independent,” as defined in the listing standards of the Nasdaq National Market or such other national securities exchange on which the Company’s securities are then listed, as the same may be amended from time to time (the “*listing standards*”), the SEC rules and regulations and any other laws applicable to the Company. In addition, the Committee members shall qualify as “non-employee directors” within the meaning of SEC Rule 16b-3 as promulgated under the Exchange Act, and as “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, or such successive provisions.

(c) Appointment. Subject to the requirements of the listing standards and the Bylaws of the Company, the Board shall appoint Committee members at the first meeting of the Board following the Annual Meeting of Stockholders. Members of the Committee shall serve for one year terms and until their successors are appointed and qualified, or until their earlier resignation or removal. The Board may remove any member of the Committee, with or without cause, at any time. The Board may fill vacancies on the Committee.

(d) Delegation of Duties. The Committee may form and delegate authority to subcommittees when appropriate, and such subcommittees, if any, shall be composed entirely of independent directors as determined by the Board from time to time in accordance with Section 2(b) above.

### **3. Meetings, Reports and Resources of the Committee.**

(a) Meetings. The Committee shall meet as often as it determines necessary or advisable, but not less than two times per year. The Committee may also hold special meetings or act by unanimous written consent as the Committee may decide. The meetings may be in person or telephone. The Committee shall keep written minutes of its meetings and shall deliver a copy of such minutes to the Board and to the Corporate Secretary of the Company for inclusion in the Company's minute books. The Committee may meet in separate executive sessions outside the presence of any officer. The Committee may also meet separately with other directors, the Chief Executive Officer and other Company employees, agents or representatives invited by the Committee. The Chief Executive Officer may not be present during the voting or deliberation of the Committee concerning the Chief Executive Officer's compensation.

(b) Procedures. The Committee may establish its own procedures in a manner not inconsistent with this Charter, the Bylaws of the Company, applicable laws or regulations, or the listing standards. The Chairperson of the Committee or a majority of the Committee members may call meetings of the Committee. A majority of the authorized number of Committee members shall constitute a quorum for the transaction of Committee business, and the vote of a majority of the Committee members present at the meeting at which a quorum is present shall be the act of the Committee, unless in either case a greater number is required by this Charter, the Bylaws, applicable laws or regulations, or the listing standards.

(c) Reports. The Committee shall report its actions and any recommendations to the Board after each Committee meeting. The Committee may also make such other reports to the Board as necessary, which reports shall include any recommendations that the Committee deems appropriate.

(d) Annual Self Evaluation. The Committee shall evaluate its own performance and the adequacy of this Charter on an annual basis and shall report to the Board annually the results of such evaluation.

(e) Committee Access and Resources. The Committee is at all times authorized to have direct, independent and confidential access to the Company's other directors, management and personnel to carry out the Committee's purposes. The Committee shall have the sole authority to retain and terminate at the Company's expense any compensation-consulting firm used to evaluate officer compensation, and to approve the consulting firms fees and other retention terms. The Committee is also authorized to retain and terminate at the Company's expense, independent counsel or other advisers selected by the Committee for matters related to the Committee's purposes.

#### **4. Authority and Responsibility.**

In furtherance of its purpose, the Committee shall have the following authority and responsibilities:

(a) Compensation Goals. The Committee shall review and make recommendations to the Board with respect to the Company's compensation, incentive-compensation and equity-based plans, and other elements of the executive compensation program including, but not limited to, executive base salaries, annual and long-term incentives, benefit plans, retirement plans, deferred compensation programs, stock award programs, executive perquisite programs and other matters which the Committee deems significant. To the extent directed or authorized by the Board, the compensation Committee shall adopt or administer such plans on behalf of the Board and the Company. With respect to the CEO and all other executive officers, the Compensation Committee shall annually review and approve corporate goals and objectives relevant to compensation, evaluate performance in light of those goals and objectives, and determine and approve compensation levels based on this evaluation.

(b) Determination of Compensation. Evaluate the performance of the Chief Executive Officer and other officers in light of the corporate goals and objectives. Evaluate the compensation of the Chief Executive Officer and make a recommendation to the Board regarding the compensation of the Chief Executive Officer and the other officers, including individual elements of salary, bonus, incentive and equity compensation. The Committee may consult with the Chief Executive Officer in determining the executive compensation for any officer other than the Chief Executive Officer.

(c) Officer Contracts. Review, approve and evaluate annual compliance with all employment agreements, separation and severance agreements, and other compensatory contracts, arrangement, prerequisites and payments for the officers and ensure such agreements are consistent with the Company's general compensation goals.

(d) Succession Planning. Review and assist the Board in developing succession plans for the officers and other appropriate management personnel. The Committee may also assist the Board in evaluating potential candidates for officers of the Company.

(e) Equity and Incentive Plans and Awards. Assist the Board in the administration of the Company's stock option plans and any equity or incentive compensation plans of the Company, and make recommendations to the Board as to stock options grants and other discretionary awards (including restrictions on such grants or awards) under such plans with respect to the officers. With respect to the administration of plans as to officers, the Committee shall also establish and periodically review the procedures by which the Company grants stock options and other incentive awards, including any practices regarding the timing of such grants. The Committee may also consider adopting guidelines for ranges of option grants or other discretionary awards to the Company's employees and make recommendations to the Board. The Committee may also review and recommend to the Board for approval new executive compensation programs (to the extent that the Committee believes that new programs are appropriate or desirable).

(f) Annual Reports and Disclosure. Produce the Compensation Committee report and other disclosures required by the applicable rules and regulations of the SEC and other regulatory bodies for inclusion in the Company's annual report or proxy statement for the Annual Meeting of Stockholders.

(g) Compensation Discussion and Analysis. Review and discuss with the Company's management the Compensation Discussion and Analysis ("CD&A") required by the rules promulgated by the SEC. Based on such review and discussion, the Committee shall formally determine whether to recommend to the Board that the CD&A be included in the Company's annual report or proxy statement for the Annual Meeting of Stockholders.