

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended March 31, 2024

Or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_



**CROSS COUNTRY HEALTHCARE, INC .**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
Incorporation or organization)

0-33169

Commission  
file number

13-4066229

(I.R.S. Employer  
Identification Number)

6551 Park of Commerce Boulevard, N.W.

Boca Raton , Florida 33487

(Address of principal executive offices)(Zip Code)

( 561 ) 998-2232

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class

Trading Symbol

Name of each exchange on which registered

Common stock, par value \$0.0001 per share

CCRN

The Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 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 and post 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The registrant had outstanding 34,774,058 shares of common stock, par value \$0.0001 per share, as of April 22, 2024.

#### INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

In addition to historical information, this Quarterly Report on Form 10-Q contains statements relating to our future results (including certain projections and business trends) that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the Private Securities Litigation Reform Act of 1995, and are subject to the "safe harbor" created by those sections. Forward-looking statements consist of statements that are predictive in nature, depend upon or refer to future events. Words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "suggests", "appears", "seeks", "will", "could", and variations of such words and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following: the overall macroeconomic environment, including increased inflation and interest rates, demand for the healthcare services we provide, both nationally and in the regions in which we operate, our ability to attract and retain qualified nurses, physicians and other healthcare personnel, costs and availability of short-term housing for our travel healthcare professionals, the functioning of our information systems, the effect of cyber security risks and cyber incidents on our business, the effect of existing or future government regulation and federal and state legislative and enforcement initiatives on our business, including data privacy and protection laws, social, ethical, and security issues relating to the use of artificial intelligence, our customers' ability to pay us for our services, our ability to successfully implement our acquisition and development strategies, including our ability to successfully integrate acquired businesses and realize synergies from such acquisitions, the effect of liabilities and other claims asserted against us, the effect of competition in the markets we serve, our ability to successfully defend the Company, its subsidiaries, and its officers and directors on the merits of any lawsuit or determine its potential liability, if any, and other factors, including, without limitation, the risk factors set forth in Item 1A. "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (2023 Form 10-K), as filed and updated in our subsequent Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission (SEC).

Although we believe that these statements are based upon reasonable assumptions, we cannot guarantee future results and readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date of this filing. There can be no assurance that (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors' likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. Except as may be required by law, the Company undertakes no obligation to update or revise forward-looking statements.

All references to "the Company", "we", "us", "our", or "Cross Country" in this Quarterly Report on Form 10-Q mean Cross Country Healthcare, Inc. and its consolidated subsidiaries.

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**CROSS COUNTRY HEALTHCARE, INC.**

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**FORM 10-Q**

**March 31, 2024**

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**PART I. FINANCIAL INFORMATION**

**ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**CROSS COUNTRY HEALTHCARE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Uaudited, amounts in thousands)

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 5,242	\$ 17,094
Accounts receivable, net of allowances of \$ 20,145 in 2024 and \$ 20,547 in 2023	357,458	372,352
Income taxes receivable	6,326	6,898
Prepaid expenses	7,616	7,681
Insurance recovery receivable	8,815	9,097
Other current assets	1,861	2,031
Total current assets	<u>387,318</u>	<u>415,153</u>
Property and equipment, net of accumulated depreciation of \$ 17,135 in 2024 and \$ 15,808 in 2023	28,200	27,339
Operating lease right-of-use assets	1,831	2,599
Goodwill	135,430	135,430
Other intangible assets, net	51,742	54,468
Deferred tax assets	6,805	5,954
Insurance recovery receivable	23,120	25,714
Cloud computing	7,209	5,987
Other assets	6,784	6,673
Total assets	<u>\$ 648,439</u>	<u>\$ 679,317</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 68,921	\$ 85,333
Accrued compensation and benefits	51,606	52,297
Operating lease liabilities	2,362	2,604
Earnout liability	4,100	6,794
Other current liabilities	1,453	1,559
Total current liabilities	<u>128,442</u>	<u>148,587</u>
Operating lease liabilities	2,130	2,663
Accrued claims	34,299	34,853
Earnout liability	—	5,000
Uncertain tax positions	11,339	10,603
Other liabilities	4,039	4,218
Total liabilities	<u>180,249</u>	<u>205,924</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock	4	4
Additional paid-in capital	228,525	236,417
Accumulated other comprehensive loss	(1,388)	(1,385)
Retained earnings	241,049	238,357
Total stockholders' equity	<u>468,190</u>	<u>473,393</u>
Total liabilities and stockholders' equity	<u>\$ 648,439</u>	<u>\$ 679,317</u>

See accompanying notes to the condensed consolidated financial statements

**CROSS COUNTRY HEALTHCARE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**  
(Uaudited, amounts in thousands, except per share data)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
Revenue from services	\$ 379,174	\$ 622,707
Operating expenses:		
Direct operating expenses	301,877	483,284
Selling, general and administrative expenses	63,252	84,260
Bad debt expense	1,290	4,908
Depreciation and amortization	4,642	4,904
Restructuring costs	938	429
Legal and other losses	3,650	1,125
Impairment charges	604	—
Total operating expenses	<u>376,253</u>	<u>578,910</u>
Income from operations	2,921	43,797
Other expenses (income):		
Interest expense	462	3,690
Other income, net	( 1,230 )	( 12 )
Income before income taxes	3,689	40,119
Income tax expense	997	10,683
Net income attributable to common stockholders	<u>\$ 2,692</u>	<u>\$ 29,436</u>
Other comprehensive (loss) income:		
Unrealized foreign currency translation (loss) gain, net of tax	( 3 )	7
Comprehensive income	<u>\$ 2,689</u>	<u>\$ 29,443</u>
Net income per share attributable to common stockholders - Basic	<u>\$ 0.08</u>	<u>\$ 0.82</u>
Net income per share attributable to common stockholders - Diluted	<u>\$ 0.08</u>	<u>\$ 0.81</u>
Weighted average common shares outstanding:		
Basic	<u>34,216</u>	<u>35,864</u>
Diluted	<u>34,597</u>	<u>36,560</u>

See accompanying notes to the condensed consolidated financial statements

**CROSS COUNTRY HEALTHCARE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**Three Months Ended March 31, 2024 and 2023**  
(Uaudited, amounts in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss, net		Retained Earnings	Stockholders' Equity
	Shares	Dollars					
Balances at December 31, 2023	34,385	\$ 4	\$ 236,417	\$ (1,385)	\$ 238,357	\$ 473,393	
Vesting of restricted stock	251	—	( 2,706 )	—	—	—	( 2,706 )
Equity compensation	—	—	1,198	—	—	—	1,198
Stock repurchase and retirement	( 310 )	—	( 6,368 )	—	—	—	( 6,368 )
Stock repurchase excise tax	—	—	( 16 )	—	—	—	( 16 )
Foreign currency translation adjustment, net of taxes	—	—	—	( 3 )	—	—	( 3 )
Net income	—	—	—	—	2,692	2,692	
Balances at March 31, 2024	34,326	\$ 4	\$ 228,525	\$ (1,388 )	\$ 241,049	\$ 468,190	
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss, net		Retained Earnings	Stockholders' Equity
	Shares	Dollars					
Balances at December 31, 2022	36,303	\$ 4	\$ 292,876	\$ (1,387 )	\$ 165,726	\$ 457,219	
Vesting of restricted stock	375	—	( 4,513 )	—	—	—	( 4,513 )
Equity compensation	—	—	1,775	—	—	—	1,775
Stock repurchase and retirement	( 1,224 )	—	( 31,760 )	—	—	—	( 31,760 )
Stock repurchase excise tax	—	—	( 234 )	—	—	—	( 234 )
Foreign currency translation adjustment, net of taxes	—	—	—	7	—	—	7
Net income	—	—	—	—	29,436	29,436	
Balances at March 31, 2023	35,454	\$ 4	\$ 258,144	\$ (1,380 )	\$ 195,162	\$ 451,930	

See accompanying notes to the condensed consolidated financial statements

**CROSS COUNTRY HEALTHCARE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Uaudited, amounts in thousands)

	Three Months Ended	
	March 31,	
	2024	2023
<b>Cash flows from operating activities</b>		
Consolidated net income	\$ 2,692	\$ 29,436
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,642	4,904
Provision for allowances	1,170	6,171
Deferred income tax benefit	( 809 )	( 597 )
Non-cash lease expense	241	252
Impairment charges	604	—
Equity compensation	1,198	1,775
Other non-cash costs	203	316
Changes in operating assets and liabilities:		
Accounts receivable	13,724	7,887
Prepaid expenses and other assets	( 1,227 )	( 471 )
Income taxes	1,293	9,897
Accounts payable and accrued expenses	( 15,492 )	( 11,991 )
Operating lease liabilities	( 785 )	( 1,084 )
Other	( 1,443 )	370
Net cash provided by operating activities	<u>6,011</u>	<u>46,865</u>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	( 2,210 )	( 3,678 )
Acquisition-related settlements	—	182
Net cash used in investing activities	<u>( 2,210 )</u>	<u>( 3,496 )</u>
<b>Cash flows from financing activities</b>		
Borrowings under Senior Secured Asset-Based revolving credit facility	14,166	347,434
Repayments on Senior Secured Asset-Based revolving credit facility	( 14,166 )	( 357,834 )
Cash paid for shares withheld for taxes	( 2,706 )	( 4,514 )
Stock repurchase and retirement	( 6,368 )	( 31,760 )
Payment of contingent consideration	( 6,579 )	—
Other	—	( 7 )
Net cash used in financing activities	<u>( 15,653 )</u>	<u>( 46,681 )</u>
Effect of exchange rate changes on cash	—	( 1 )
Change in cash and cash equivalents	( 11,852 )	( 3,313 )
Cash and cash equivalents at beginning of period	17,094	3,604
Cash and cash equivalents at end of period	<u>\$ 5,242</u>	<u>\$ 291</u>

See accompanying notes to the condensed consolidated financial statements

**CROSS COUNTRY HEALTHCARE, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

**1. ORGANIZATION AND BASIS OF PRESENTATION**

***Nature of Business***

The accompanying condensed consolidated financial statements include the accounts of Cross Country Healthcare, Inc. and its direct and indirect wholly-owned subsidiaries (collectively, the Company). In the opinion of management, all adjustments necessary for a fair presentation of such unaudited condensed consolidated financial statements have been included. All such adjustments consisted of all normal recurring items, including the elimination of all intercompany transactions and balances.

The accompanying condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (U.S. GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. These operating results are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2023 included in the 2023 Form 10-K. The December 31, 2023 condensed consolidated balance sheet included herein was derived from the December 31, 2023 audited consolidated balance sheet included in the 2023 Form 10-K.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the condensed consolidated financial statements and accompanying notes. Management has assessed various accounting estimates and other matters, including those that require consideration of forecasted financial information, using information that is reasonably available to the Company at the time. Significant estimates and assumptions are used for, but not limited to: (i) the valuation of accounts receivable; (ii) goodwill, trade names, and other intangible assets; (iii) other long-lived assets; (iv) revenue recognition; (v) accruals for health, workers' compensation, and professional liability claims; (vi) valuation of deferred tax assets; (vii) legal contingencies; and (viii) income taxes. Accrued insurance claims and reserves include estimated settlements from known claims and actuarial estimates for claims incurred but not reported. As additional information becomes available to the Company, its future assessment of these estimates could materially and adversely impact the Company's consolidated financial statements in future reporting periods. Actual results could differ from those estimates.

***Risks and Uncertainties***

The Company's future results of operations and liquidity could be materially adversely affected by macroeconomic factors contributing to delays in payments from customers and inflationary pressure, uncertain or reduced demand, and the impact of any initiatives or programs that the Company may undertake to address financial and operational challenges faced by its customers. See associated risk factors in Item 1A. Risk Factors in the 2023 Form 10-K.

***Accounts Receivable, net***

The timing of revenue recognition, billings, and collections results in billed and unbilled accounts receivable from customers, which are classified as accounts receivable on the condensed consolidated balance sheets and are presented net of allowances for doubtful accounts and sales allowances. Estimated revenue for the Company employees', subcontracted employees', and independent contractors' time worked but not yet billed at March 31, 2024 and December 31, 2023 totaled \$ 76.5 million and \$ 89.9 million, respectively.

The Company generally does not require collateral and mitigates its credit risk by performing credit evaluations and monitoring at-risk accounts. The allowance for doubtful accounts is established for losses expected to be incurred on accounts receivable balances. Accounts receivable are written off against the allowance for doubtful accounts when the Company determines amounts are no longer collectible. Judgment is required in the estimation of the allowance and the Company evaluates the

collectability of its accounts receivable based on a combination of factors. The Company bases its allowance for doubtful account estimates on its historical write-off experience, current conditions, an analysis of the aging of outstanding receivable and customer payment patterns, and specific reserves for customers in adverse condition adjusted for current expectations for the customers or industry. Based on the information currently available, the Company also considered expectations of future economic conditions when estimating its allowance for doubtful accounts.

The opening balance of the allowance for doubtful accounts is reconciled to the closing balance for expected credit losses as follows:

	2024	2023
(amounts in thousands)		
Balance at January 1	\$ 19,640	\$ 13,058
Bad Debt Expense	1,290	4,908
Write-Offs, net of Recoveries	( 1,555 )	54
Balance at March 31	\$ 19,375	\$ 18,020

In addition to the allowance for doubtful accounts, the Company maintains a sales allowance for billing-related adjustments which may arise in the ordinary course of business and adjustments to the reserve are recorded as contra-revenue. The sales allowance balance as of March 31, 2024 and December 31, 2023 was \$ 0.8 million and \$ 0.9 million, respectively.

The Company's contract terms typically require payment between 30 to 60 days from the date of invoice and are considered past due based on the particular negotiated contract terms. The majority of the Company's customers are healthcare systems with a significant percentage in acute-care facilities. No single customer accounted for more than 10% of the Company's revenue for the three months ended March 31, 2024 and 2023, or the Company's accounts receivable balance as of March 31, 2024 and December 31, 2023. In 2023, there was an increase in bad debt expense primarily driven by a deterioration in our accounts receivable aging stemming from a single managed service programs (MSP) customer. Although the Company expects to recover the remaining balance, further reserves may be required in the event this customer does not continue making payments or experiences a material deterioration in their financial condition.

#### **Restructuring Costs**

The Company considers restructuring activities to be programs whereby it fundamentally changes its operations, such as closing and consolidating facilities, reducing headcount, and realigning operations in response to changing market conditions. As a result, restructuring costs on the condensed consolidated statements of operations and comprehensive income primarily include employee termination costs and lease-related exit costs.

Reconciliations of the employee termination costs and lease-related exit costs beginning and ending liability balance is presented below:

	Employee Termination Costs	Lease-Related Exit Costs
(amounts in thousands)		
Balance at January 1, 2024	\$ 895	\$ 1,184
Charged to restructuring	188	525
Payments and adjustments	( 759 )	( 218 )
Balance at March 31, 2024	<u><u>\$ 324</u></u>	<u><u>\$ 1,491</u></u>

## Recent Accounting Pronouncements

On December 14, 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires that public business entities, on an annual basis, (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than five percent of the amount computed by multiplying pretax income (or loss) by the applicable statutory income tax rate). The amendments also require that all entities disclose, on an annual basis, disaggregated information regarding income taxes paid and income tax expense. This guidance is effective for annual periods beginning after December 15, 2024. The amendments should be applied prospectively, but retrospective application is permitted. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The Company expects to adopt this standard for its annual report for the fiscal year ended December 31, 2025. The Company expects this ASU to only impact its disclosures with no impacts to results of operations, cash flows, and financial condition.

On November 27, 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses, enhances interim disclosure requirements, clarifies circumstances in which an entity can disclose multiple segment measures of profit or loss, provides new segment disclosure requirements for entities with a single reportable segment, and requires certain disclosures related to the chief operating decision maker. This guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The amendments should be applied retrospectively to all prior periods presented in the financial statements. Early adoption is permitted. The Company expects to adopt this standard for its fiscal year ended December 31, 2024. The Company expects this ASU to only expand its disclosures with no impacts to results of operations, cash flows, and financial condition.

## 3. REVENUE RECOGNITION

The Company's revenues from customer contracts are generated from temporary staffing services and other services. Revenue is disaggregated by segment in the following table. Sales and usage-based taxes are excluded from revenue.

Three Months ended March 31, 2024				
	Nurse And Allied Staffing	Physician Staffing	Total Segments	
(amounts in thousands)				
Temporary Staffing Services	\$ 324,974	\$ 44,489	\$	369,463
Other Services	7,212	2,499		9,711
<b>Total</b>	<b>\$ 332,186</b>	<b>\$ 46,988</b>	<b>\$</b>	<b>379,174</b>

Three Months ended March 31, 2023				
	Nurse And Allied Staffing	Physician Staffing	Total Segments	
(amounts in thousands)				
Temporary Staffing Services	\$ 567,650	\$ 38,197	\$	605,847
Other Services	14,652	2,208		16,860
<b>Total</b>	<b>\$ 582,302</b>	<b>\$ 40,405</b>	<b>\$</b>	<b>622,707</b>

See Note 12 - Segment Data.

#### 4. ACQUISITIONS

##### *HireUp*

On December 13, 2022, the Company purchased and acquired substantially all of the assets and assumed certain liabilities of HireUp Leadership Inc. (HireUp) for a purchase price of \$ 6.0 million in cash, subject to adjustment, and \$ 0.8 million in shares (or 29,811 shares) of the Company's common stock. The transaction was treated as a purchase of assets for income tax purposes.

The sellers were eligible to receive up to an additional \$ 8.0 million in earnout cash consideration based on HireUp's revenues and Adjusted EBITDA for each of the twelve-month periods ending on the first and second anniversaries of the first day after the closing date. Quarterly throughout 2023, and during the first quarter of 2024, the Company performed analyses using multiple updated forecasted scenarios and determined that the earnout would only be partially achieved. As a result, the Company recognized a decrease in the fair value of the related liabilities in the second and third quarters of 2023. The Company paid the remaining earnout liability of \$ 1.7 million in the first quarter of 2024. See Note 10 - Fair Value Measurements.

During the quarter ended March 31, 2023, the Company assigned the following values to other identifiable intangible assets: (i) \$ 0.9 million to trade names with a weighted average estimated useful life of 2 years; (ii) \$ 2.5 million to a customer list with a weighted average estimated useful life of 10 years; and (iii) \$ 3.5 million to a database with a weighted average estimated useful life of 7 years, for a total of \$ 6.9 million in definite life intangible assets with a weighted average estimated useful life of 7 years.

The remaining excess purchase price over the fair value of net assets acquired of \$ 1.6 million was recorded as goodwill on the Company's condensed consolidated balance sheets. See Note 7 - Goodwill, Trade Names, and Other Intangible Assets.

##### *Mint*

On October 3, 2022, the Company purchased and acquired substantially all of the assets and assumed certain liabilities of Mint Medical Physician Staffing, LP and Lotus Medical Staffing LLC (collectively, Mint) for a purchase price of \$ 27.0 million in cash, subject to adjustment, and \$ 3.6 million in shares (or 114,278 shares) of the Company's common stock. The transaction was treated as a purchase of assets for income tax purposes.

The sellers were eligible to receive up to an additional \$ 10.0 million in earnout cash consideration based on Mint's revenues and gross profit for each of the twelve-month periods ending on the first and second anniversaries of the first day of the calendar month following the closing date. In the fourth quarter of 2023, the Company performed a calculation for the first measurement period, resulting in the achievement of a \$ 4.9 million earnout, which was paid in the first quarter of 2024. During the first quarter of 2024, the Company performed analyses using multiple updated forecasted scenarios and determined that the earnout for the second measurement period would only be partially achieved and, as a result, recognized a decrease in the fair value of the related liabilities. The remaining liability of \$ 4.1 million is included in the current portion of earnout liability on the condensed consolidated balance sheets. See Note 10 - Fair Value Measurements.

During the quarter ended March 31, 2023, the Company assigned the following values to other identifiable intangible assets: (i) \$ 0.4 million to trade names with a weighted average estimated useful life of 1 year; (ii) \$ 2.3 million to a customer list with a weighted average estimated useful life of 11 years; and (iii) \$ 12.4 million to a database with a weighted average estimated useful life of 7 years, for a total of \$ 15.1 million in definite life intangible assets with a weighted average estimated useful life of 7 years.

The remaining excess purchase price over the fair value of net assets acquired of \$ 20.1 million was recorded as goodwill on the Company's condensed consolidated balance sheets. See Note 7 - Goodwill, Trade Names, and Other Intangible Assets.

The above acquisitions made in 2022, HireUp and Mint, both individually and in the aggregate, were not significant and have been accounted for using the acquisition method of accounting. The pro-forma impact on the Company's consolidated revenue from services and net income, including the pro forma effect of events that are directly attributable to the acquisitions, was not significant.

***Cross Country Workforce Solutions Group (CCWSG)***

On June 8, 2021, the Company purchased and acquired substantially all of the assets and assumed certain liabilities of Workforce Solutions Group, Inc. (WSG) for a purchase price of \$ 25.0 million in cash and \$ 5.0 million in shares (or 307,730 shares) of the Company's common stock.

The sellers were eligible to receive an earnout based on the business' performance through three years after the acquisition date that could provide up to an additional \$ 15.0 million in cash. In the third quarter of 2022, the Company determined that the contingent consideration earnout was achieved for the 2021 through 2022 period and, as a result, the Company made a \$ 7.5 million earnout payment. In the third quarter of 2023, the Company determined that the contingent consideration earnout was achieved for the 2022 through 2023 period and, as a result, the Company made the final \$ 7.5 million earnout payment.

**5. COMPREHENSIVE INCOME**

Total comprehensive income includes net income or loss and foreign currency translation adjustments, net of any related deferred taxes, and is included within the accompanying condensed consolidated statements of operations and comprehensive income. Certain of the Company's foreign subsidiaries use their respective local currency as their functional currency. Assets and liabilities of these operations are translated at the exchange rates in effect on the balance sheet date. Income statement items are translated at the average exchange rates for the period. The cumulative impact of currency fluctuations related to the balance sheet translation is included in accumulated other comprehensive loss in the accompanying condensed consolidated balance sheets and was an unrealized loss of \$ 1.5 million as of March 31, 2024 and December 31, 2023.

The income tax impact related to components of other comprehensive income for the three months ended March 31, 2024 and 2023 is included in unrealized foreign currency translation (loss) gain, net of tax in the condensed consolidated statements of operations and comprehensive income.

## 6. EARNINGS PER SHARE

The following table sets forth the components of the numerator and denominator for the computation of the basic and diluted earnings per share:

	Three Months Ended	
	March 31,	
	2024	2023
(amounts in thousands, except per share data)		
<b>Numerator:</b>		
Net income attributable to common stockholders - Basic and Diluted	\$ 2,692	\$ 29,436
<b>Denominator:</b>		
Weighted average common shares - Basic	34,216	35,864
Effect of diluted shares:		
Share-based awards	381	696
Weighted average common shares - Diluted	34,597	36,560
Net income per share attributable to common stockholders - Basic	\$ 0.08	\$ 0.82
Net income per share attributable to common stockholders - Diluted	\$ 0.08	\$ 0.81

The following table represents the share-based awards that could potentially dilute net income per share attributable to common stockholders in the future that were not included in the computation of diluted net income per share attributable to common stockholders because to do so would have been anti-dilutive for the periods presented.

	Three Months Ended	
	March 31,	
	2024	2023
(amounts in thousands)		
Share-based awards	5	—

## 7. GOODWILL, TRADE NAMES, AND OTHER INTANGIBLE ASSETS

The Company had the following acquired intangible assets:

	March 31, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
(amounts in thousands)						
Intangible assets subject to amortization:						
Databases	\$ 45,930	\$ 26,362	\$ 19,568	\$ 45,930	\$ 24,971	\$ 20,959
Customer relationships	52,538	27,424	25,114	52,538	26,286	26,252
Trade names	900	660	240	900	548	352
Software	1,700	780	920	1,700	695	1,005
Other intangible assets, net	\$ 101,068	\$ 55,226	\$ 45,842	\$ 101,068	\$ 52,500	\$ 48,568
Intangible assets not subject to amortization:						
Trade names, indefinite-lived			<u><u>\$ 5,900</u></u>			<u><u>\$ 5,900</u></u>

As of March 31, 2024, estimated annual amortization expense was as follows:

Years Ending December 31:	(amounts in thousands)	
	2024	2025
2024	\$ 7,755	
2025		9,570
2026		8,362
2027		6,191
2028		4,790
Thereafter		9,174
	<u><u>\$ 45,842</u></u>	

### Goodwill, Trade Names, and Other Intangible Assets Impairment

The Company tests reporting units' goodwill and intangible assets with indefinite lives for impairment annually during the fourth quarter and more frequently if impairment indicators exist. The Company performs quarterly qualitative assessments of significant events and circumstances such as reporting units' historical and current results, assumptions regarding future performance, strategic initiatives and overall economic factors, and macro-economic developments, to determine the existence of potential indicators of impairment and assess if it is more likely than not that the fair value of reporting units or intangible assets is less than their carrying value. If indicators of impairments are identified a quantitative impairment test is performed.

As of March 31, 2024, the Company performed a qualitative assessment of each of its reporting units and determined it was not more likely than not that the fair value of its reporting units dropped below their carrying value. Although management believes that the Company's current estimates and assumptions utilized in its qualitative testing are reasonable and supportable, there can be no assurance that the estimates and assumptions management used for purposes of its assessment as of March 31, 2024 will prove to be accurate predictions of future performance.

As of March 31, 2024, goodwill by reporting segment was: \$ 112.5 million for Nurse and Allied Staffing and \$ 22.9 million for Physician Staffing, for a total of \$ 135.4 million.

For its long-lived assets and definite-lived intangible assets, the Company reviews for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. As of March 31, 2024 and 2023, the Company performed a qualitative assessment of its trade names and other intangible assets and determined it was not more likely than not that their carrying value may not be recoverable.

## 8. DEBT

The Company's debt consists of the following:

	March 31, 2024		December 31, 2023	
	Principal	Debt Issuance Costs	Principal	Debt Issuance Costs
		(amounts in thousands)		(amounts in thousands)
Senior Secured Asset-Based Loan, interest of 7.17 % and 6.99 % at March 31, 2024 and December 31, 2023, respectively	\$ —	\$ ( 2,420 )	\$ —	\$ ( 2,623 )
Debt	\$ —	\$ ( 2,420 )	\$ —	\$ ( 2,623 )

As of March 31, 2024 and December 31, 2023, there was no debt outstanding on the condensed consolidated balance sheets. The Company has elected to present the debt issuance costs associated with its senior secured asset-based credit facility as an asset, which is included in other assets on the condensed consolidated balance sheets.

### **2021 Term Loan Credit Agreement**

On June 8, 2021, the Company entered into a Term Loan Credit Agreement (Term Loan Agreement) with certain lenders identified therein (collectively, the Lenders) and Wilmington Trust, National Association as administrative agent and collateral agent, pursuant to which the Lenders extended to the Company a six-year second lien subordinated term loan in the amount of \$ 100.0 million (term loan).

On November 18, 2021, the Company amended the Term Loan Agreement (Term Loan First Amendment), which provided the Company an incremental borrowing in an aggregate amount equal to \$ 75.0 million. Additionally, the Term Loan First Amendment increased the aggregate amount of all increases (as defined in the Term Loan Agreement) to be no greater than \$ 115.0 million.

On April 14, 2023, the Company amended the Term Loan Agreement (Term Loan Second Amendment), which provided the option for all or a portion of the borrowings to bear interest at a rate based on the Secured Overnight Financing Rate (SOFR) or the Base Rate, at the election of the borrowers, plus an applicable margin.

On June 30, 2023, the Company repaid all outstanding obligations of \$ 73.9 million under the term loan and terminated the Term Loan Agreement. As a result, debt issuance costs of \$ 1.7 million were written off in the second quarter of 2023. There were no prepayment premiums associated with the payoff and all subsidiary guarantees of the term loan were automatically released.

### **2019 Asset-Based Loan Agreement**

Effective October 25, 2019, the Company terminated its prior senior credit facility and entered into an asset-based loan agreement, by and among the Company and certain of its domestic subsidiaries, as borrowers or guarantors, Wells Fargo, PNC Bank N.A., as well as other Lenders (as defined therein) from time to time parties thereto (Loan Agreement). The Loan Agreement provided for a five-year revolving senior secured asset-based credit facility (ABL) in the aggregate principal amount of up to \$ 120.0 million, including a sublimit for swing loans up to \$ 15.0 million and a \$ 35.0 million sublimit for standby letters of credit.

On June 30, 2020, the Company amended the Loan Agreement (First Amendment), which increased the current aggregate committed size of the ABL from \$ 120.0 million to \$ 130.0 million. All other terms, conditions, covenants, and pricing of the Loan Agreement remained the same.

On March 8, 2021, the Company amended the Loan Agreement (Second Amendment), which increased the current aggregate committed size of the ABL from \$ 130.0 million to \$ 150.0 million, increased certain borrowing base sub-limits, and decreased both the cash dominion event and financial reporting triggers.

On June 8, 2021, the Company amended the Loan Agreement (Third Amendment), which permitted the incurrence of indebtedness and grant of security as set forth in the Loan Agreement and in accordance with the Intercreditor Agreement, and provides mechanics relating to a transition away from LIBOR as a benchmark interest rate to a replacement alternative benchmark rate or mechanism for loans made in U.S. dollars.

On November 18, 2021, the Company amended the Loan Agreement (Fourth Amendment), whereby the permitted indebtedness (as defined in the Loan Agreement), was increased to \$ 175.0 million.

On March 21, 2022, the Company amended the Loan Agreement (Fifth Amendment), which increased the current aggregate committed size of the ABL from \$ 150.0 million to \$ 300.0 million, extended the term of the credit facility for an additional five years , through March 21, 2027, and increased certain borrowing base sub-limits. In addition, the agreement provides the option for all or a portion of the borrowings to bear interest at a rate based on the SOFR or the Base Rate, at the election of the borrowers, plus an applicable margin. The applicable margin increased 10 basis points due to the credit spread associated with the transition to SOFR.

On September 29, 2023, the Company amended the Loan Agreement (Sixth Amendment), which changed the minimum fixed charge coverage ratio from a maintenance covenant to a springing covenant based on excess availability, which provides for compliance with the covenant only during a compliance period (any time that excess availability falls below a certain threshold), and in such case, the financial covenant shall be tested during this period.

These amendments were treated as modifications of debt and, as a result, the associated fees and costs were included in debt issuance costs and are amortized ratably over the remaining term of the Loan Agreement.

Availability of the ABL commitments is subject to a borrowing base of up to 85 % of secured eligible accounts receivable, subject to adjustment at certain quality levels, minus customary reserves and subject to customary adjustments. Revolving loans and letters of credit issued under the Loan Agreement reduce availability under the ABL on a dollar-for-dollar basis. At March 31, 2024, there were no borrowings drawn under the ABL, and borrowing base availability under the ABL was \$ 200.1 million, with \$ 186.3 million of availability net of \$ 13.8 million of letters of credit outstanding related to workers' compensation and professional liability policies.

As of March 31, 2024, the interest rate spreads and fees under the ABL were based on SOFR plus 1.85 % for the revolving portion of the borrowing base. The Base Rate (as defined by the Loan Agreement) margin would have been 0.75 % for the revolving portion . The SOFR and Base Rate margins are subject to monthly adjustments, pursuant to a pricing matrix based on the Company's excess availability under the revolving credit facility. In addition, the facility is subject to an unused line fee, letter of credit fees, and an administrative fee. The unused line fee is 0.375 % of the average daily unused portion of the revolving credit facility.

The ABL contains various restrictions applicable to the Company and its subsidiaries. For the three months ended March 31, 2024, the excess availability did not fall below the stated threshold and, as a result, there was no covenant compliance period. Obligations under the ABL are secured by substantially all of the assets of the borrowers and guarantors (as defined therein), subject to customary exceptions.

## 9. LEASES

The Company's lease population of its right-of-use assets and lease liabilities is substantially related to the rental of office space. The Company enters into lease agreements as a lessee that may include options to extend or terminate early. Some of these real estate leases require variable payments of property taxes, insurance, and common area maintenance, in addition to base rent. Certain of the leases have provisions for free rent months during the lease term and/or escalating rent payments and, particularly for the Company's longer-term leases for its corporate offices, it has received incentives to enter into the leases, such as receiving up to a specified dollar amount to construct tenant improvements. These leases do not include residual value guarantees, covenants, or other restrictions.

As a part of the Company's restructuring activities, management periodically reduces or fully vacates leased office space, which results in right-of-use impairment charges. The Company may also write off leasehold improvements or other property and equipment related to these locations. The measurement of these impairments is a Level 3 fair value measurement. For the three months ended March 31, 2024 and 2023, the Company did not record any material lease-related impairment charges. See Note 2 - Summary of Significant Accounting Policies for a description of the Company's restructuring activities.

The table below presents the lease-related assets and liabilities included on the condensed consolidated balance sheets:

Classification on Condensed Consolidated Balance Sheets:	March 31, 2024		December 31, 2023	
	(amounts in thousands)			
Operating lease right-of-use assets	\$	1,831	\$	2,599
Operating lease liabilities - current	\$	2,362	\$	2,604
Operating lease liabilities - non-current	\$	2,130	\$	2,663
		March 31, 2024	December 31, 2023	
Weighted average remaining lease term		2.0 years		2.2 years
Weighted average discount rate		6.36 %		6.36 %

The table below reconciles the undiscounted cash flows for each of, and total of, the remaining years to the operating lease liabilities (which do not include short-term leases) recorded on the condensed consolidated balance sheets as of March 31, 2024:

Years Ending December 31:	(amounts in thousands)	
2024	\$	1,995
2025		2,186
2026		318
2027		180
2028		114
Total minimum lease payments		4,793
Less: amount of lease payments representing interest		( 301 )
Present value of future minimum lease payments		4,492
Less: operating lease liabilities - current		( 2,362 )
Operating lease liabilities - non-current	\$	2,130

## Other Information

The table below provides information regarding supplemental cash flows:

	Three Months Ended		
	March 31,		
	2024	2023	
(amounts in thousands)			
<b>Supplemental Cash Flow Information:</b>			
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 863	\$ 1,256	
Right-of-use assets acquired under operating lease	\$ 11	\$ 6	

The components of lease expense are as follows:

	Three Months Ended		
	March 31,		
	2024	2023	
(amounts in thousands)			
<b>Amounts Included in Condensed Consolidated Statements of Operations and Comprehensive Income:</b>			
Operating lease expense	\$ 322	\$ 492	
Short-term lease expense	\$ 597	\$ 940	
Variable and other lease costs	\$ 628	\$ (2)	

Operating lease expense, short-term lease expense, and variable and other lease costs are included in selling, general and administrative expenses, direct operating expenses, and restructuring costs in the condensed consolidated statements of operations and comprehensive income, depending on the nature of the leased asset. Operating lease expense is reported net of sublease income, which is not material.

As of March 31, 2024, the Company did not have any material operating leases that had not yet commenced, and does not have any finance lease contracts.

## 10. FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A fair value hierarchy was established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

*Level 1*—Quoted prices in active markets for identical assets or liabilities.

*Level 2*—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

*Level 3*—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

### Items Measured at Fair Value on a Recurring Basis:

The Company's financial assets/liabilities required to be measured on a recurring basis were primarily its: (i) deferred compensation asset included in other assets; and (ii) deferred compensation liability included in other liabilities on its condensed consolidated balance sheets.

**Deferred compensation**—The Company utilizes Level 1 inputs to value its deferred compensation assets and liabilities. The Company's deferred compensation assets and liabilities are measured using publicly available indices, as per the plan documents.

The estimated fair value of the Company's financial assets and liabilities measured on a recurring basis is as follows:

	<b>Fair Value Measurements</b>	
	<b>March 31, 2024</b>	<b>December 31, 2023</b>
(amounts in thousands)		
<b>Financial Assets:</b>		
(Level 1)		
Deferred compensation asset	\$ 3,516	\$ 3,298
<b>Financial Liabilities:</b>		
(Level 1)		
Deferred compensation liability	\$ 2,977	\$ 3,343

**Items Measured at Fair Value on a Non-Recurring Basis:**

The Company's non-financial assets, such as goodwill, trade names, other intangible assets, right-of-use assets, and property and equipment, are measured at fair value when there is an indicator of impairment and are recorded at fair value only when an impairment charge is recognized.

**Other Fair Value Disclosures:**

Financial instruments not measured or recorded at fair value in the condensed consolidated balance sheets consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses. The estimated fair value of accounts receivable and accounts payable and accrued expenses approximate their carrying amount due to the short-term nature of these instruments. Other financial instruments not measured or recorded at fair value include earnout liabilities related to the (i) Mint and (ii) HireUp acquisitions, as discussed below.

(i) Potential earnout payments related to the Mint acquisition are contingent upon meeting certain performance requirements based on 2022 through 2024 performance. On a quarterly basis, the Company performs an analysis using multiple forecasted scenarios to determine the fair value of the earnout liability. In the fourth quarter of 2023, the Company performed the earnout calculation for the first measurement period, resulting in an earnout of \$ 4.9 million, which was paid in the first quarter of 2024. During the first quarter of 2024, the Company determined that the earnout for the second measurement period would only be partially achieved and, as a result, recognized a decrease in the fair value of the related liabilities. The remaining liability of \$ 4.1 million is included in the current portion of earnout liability on the condensed consolidated balance sheets. The carrying amount of the earnout liability approximates fair value. See Note 4 - Acquisitions.

(ii) Potential earnout payments related to the HireUp acquisition were contingent upon meeting certain performance requirements based on 2022 through 2024 performance. Quarterly throughout 2023 and in the first quarter of 2024, the Company performed analyses using multiple updated forecasted scenarios and determined that the earnout would only be partially achieved. As a result, the Company recognized a decrease in the fair value of the related liabilities in the second and third quarters of 2023 and the first quarter of 2024. The remaining liability of \$ 1.7 million was paid in the first quarter of 2024. See Note 4 - Acquisitions.

The carrying amounts and estimated fair value of the Company's significant financial instruments that were not measured at fair value are as follows:

	March 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(amounts in thousands)				
<b>Financial Liabilities:</b>				
(Level 2)				
Earnout Liability (Mint)	\$ 4,100	\$ 4,100	\$ 9,884	\$ 9,884
Earnout Liability (HireUp)	\$ —	\$ —	\$ 1,910	\$ 1,910

#### Concentration of Credit Risk:

See discussion of credit losses and allowance for doubtful accounts in Note 2 - Summary of Significant Accounting Policies. Overall, based on the large number of customers in differing geographic areas, primarily throughout the United States and its territories, the Company believes the concentration of credit risk is limited.

## 11. STOCKHOLDERS' EQUITY

### Stock Repurchase Program

On August 16, 2022, the Company's Board of Directors authorized a stock repurchase program (the Repurchase Program), whereby the Company may repurchase up to \$ 100.0 million of its shares of common stock, subject to the terms of its current credit agreements. The shares may be repurchased from time-to-time in the open market or in privately negotiated transactions. The Repurchase Program does not obligate the Company to repurchase any particular number of shares of common stock and may be discontinued by the Board of Directors at any time.

On May 1, 2023, the Company's Board of Directors authorized approximately \$ 59.0 million in additional share repurchases, such that, effective for trades made after May 3, 2023, the aggregate amount available for stock repurchases under the Repurchase Program was set at \$ 100.0 million. The shares can be repurchased from time-to-time in the open market or in privately negotiated transactions. Decisions regarding the amount and the timing of repurchases under the Repurchase Program will be subject to the Company's available liquidity and cash on hand, applicable legal requirements, the terms of the Company's Loan Agreement, general market conditions, and other factors.

During the fourth quarter of 2022, the Company entered into a Rule 10b5-1 Repurchase Plan to allow for share repurchases during the Company's blackout periods, effective through November 2, 2023. During the third quarter of 2023, the Company entered into a new Rule 10b5-1 Repurchase Plan to allow for share repurchases during the Company's blackout periods, beginning on January 2, 2024.

During the three months ended March 31, 2024, the Company repurchased a total of 310,235 shares of common stock for \$ 6.4 million, at an average price of \$ 20.51 per share. During the three months ended March 31, 2023, the Company repurchased a total of 1,223,404 shares of common stock for \$ 31.7 million, at an average price of \$ 25.94 per share.

As of March 31, 2024, the Company had \$ 70.9 million remaining for share repurchase under the Repurchase Program, subject to certain conditions in the Company's Loan Agreement. As of March 31, 2024, the Company had 34,325,694 unrestricted shares of common stock outstanding.

### Share-Based Payments

On May 19, 2020, the Company's stockholders approved the Cross Country Healthcare, Inc. 2020 Omnibus Incentive Plan (2020 Plan), which replaced the Cross Country Healthcare, Inc. 2017 Omnibus Incentive Plan (2017 Plan), and applies to awards granted after May 19, 2020. The remaining shares available for grant under the 2017 Plan were cancelled and no further awards will be granted under that plan. The 2020 Plan generally mirrors the terms of the 2017 Plan and includes the following provisions: (1) an aggregate share reserve of 3,000,000 shares; (2) annual dollar and share limits of awards granted to employees, consultants, and non-employee directors, based on type of award; (3) awards granted generally will be subject to a minimum one-year vesting schedule; and (4) awards may be granted under the 2020 Plan until March 24, 2030.

The following table summarizes restricted stock awards and performance stock awards activity issued under the 2020 Plan for the three months ended March 31, 2024:

	Restricted Stock Awards			Performance Stock Awards		
	Number of Shares	Weighted Average		Number of Target Shares	Weighted Average	
		Grant Date	Fair Value		Grant Date	Fair Value
Unvested restricted stock awards, January 1, 2024	547,534	\$	20.42	417,197	\$	18.75
Granted	305,930	\$	18.72	170,880	\$	18.67
Vested	( 249,540 )	\$	18.04	( 145,908 )	\$	12.71
Forfeited	( 19,210 )	\$	21.98	( 21,366 )	\$	21.41
Unvested restricted stock awards, March 31, 2024	<u>584,714</u>	<u>\$</u>	<u>20.50</u>	<u>420,803</u>	<u>\$</u>	<u>20.68</u>

Restricted stock awards granted under the 2020 Plan entitle the holder to receive, at the end of a vesting period, a specified number of shares of the Company's common stock. Share-based compensation expense is measured by the market value of the Company's stock on the date of grant.

Awards granted to non-employee directors under the 2020 Plan will vest on the first anniversary of such grant date, or earlier subject to retirement eligibility. In addition, effective for the three months ended June 30, 2020, the Company implemented modified guidelines that provide for accelerated vesting of restricted stock grants on the last date of service when a retirement-eligible director retires.

Pursuant to the 2020 Plan, the number of target shares that are issued for performance-based stock awards are determined based on the level of attainment of the targets. During the first quarter of 2024, the Company's Compensation Committee of the Board of Directors approved a 101 % level of attainment for the 2021 performance-based share awards, resulting in the issuance of 145,908 performance shares that vested on March 31, 2024.

During the three months ended March 31, 2024, \$ 1.2 million was included in selling, general and administrative expenses related to share-based payments, and a net of 251,024 shares of common stock were issued upon the vesting of restricted and performance stock.

During the three months ended March 31, 2023, \$ 1.8 million was included in selling, general and administrative expenses related to share-based payments, and a net of 374,692 shares of common stock were issued upon the vesting of restricted and performance stock.

## 12. SEGMENT DATA

The Company's segments offer services to its customers as described below:

- *Nurse and Allied Staffing* – Nurse and Allied Staffing provides traditional staffing, recruiting, and value-added total talent solutions including: temporary and permanent placement of travel nurse and allied professionals, local nurse, and healthcare leaders within nursing, allied, physician, human resources, and finance, MSP services, education healthcare services, in-home care services, and outsourcing services. In addition, Nurse and Allied Staffing provides executive search services for healthcare professionals, as well as contingent search and recruitment process outsourcing services, and offers the Company's SaaS-based, proprietary, vendor management technology, Intelliify® to facilities to manage all or a portion of their agency services. Its customers include: public and private acute care hospitals, non-acute care hospitals, government facilities, local healthcare plans, national healthcare plans, managed care providers, public schools, charter schools, academic medical centers, Programs of All-Inclusive Care for the Elderly (PACE) programs, outpatient clinics, ambulatory care facilities, physician practice groups, and many other healthcare providers throughout the United States.

- *Physician Staffing* – Physician Staffing provides physicians in many specialties, as well as certified registered nurse anesthetists, nurse practitioners, and physician assistants as independent contractors on temporary assignments throughout the United States at various healthcare facilities, such as acute and non-acute care facilities, medical group practices, government facilities, and managed care organizations.

The Company evaluates performance of each segment primarily based on revenue and contribution income. The Company defines contribution income as income (loss) from operations before depreciation and amortization, acquisition and integration-related (benefits) costs, restructuring (benefits) costs, legal and other losses, impairment charges, and corporate overhead. The Company does not evaluate, manage, or measure performance of segments using asset information; accordingly, total asset information by segment is not prepared or disclosed. The information in the following table is derived from the segments' internal financial information as used for corporate management purposes. Certain corporate expenses are not allocated to or among the operating segments.

Information on operating segments and a reconciliation to income from operations for the periods indicated are as follows:

	Three Months Ended	
	March 31,	
	2024	2023
(amounts in thousands)		
Revenue from services:		
Nurse and Allied Staffing	\$ 332,186	\$ 582,302
Physician Staffing	46,988	40,405
	<u>\$ 379,174</u>	<u>\$ 622,707</u>
Contribution income:		
Nurse and Allied Staffing	\$ 27,183	\$ 67,169
Physician Staffing	3,138	1,724
	<u>30,321</u>	<u>68,893</u>
Corporate overhead <sup>(a)</sup>	17,566	18,656
Depreciation and amortization	4,642	4,904
Restructuring costs	938	429
Legal and other losses	3,650	1,125
Impairment charges	604	—
Other benefits <sup>(b)</sup>	—	( 18 )
Income from operations	<u>\$ 2,921</u>	<u>\$ 43,797</u>

(a) Corporate overhead includes unallocated executive leadership and other centralized corporate functional support costs such as finance, IT, legal, human resources, and marketing, as well as public company expenses and corporate-wide projects (initiatives).

(b) Other benefits include acquisition and integration-related benefits.

### 13. CONTINGENCIES

#### *Legal Proceedings*

From time to time, the Company is involved in various litigation, claims, investigations, and other proceedings that arise in the ordinary course of its business. These proceedings primarily relate to employee-related matters that include individual and collective claims, professional liability, tax, and payroll practices. The Company establishes reserves when available information indicates that a loss is probable and an amount or range of loss can be reasonably estimated. These assessments are performed at least quarterly and are based on the information available to management at the time and involve significant management judgment to determine the probability and estimated amount of potential losses, if any. Based on the available information considered in its reviews, the Company adjusts its loss contingency accruals and its disclosures as may be required. Actual outcomes or losses may differ materially from those estimated by the Company's current assessments, including

available insurance recoveries, which would impact the Company's profitability. Adverse developments in existing litigation claims or legal proceedings involving the Company or new claims could require management to establish or increase litigation reserves or enter into unfavorable settlements or satisfy judgments for monetary damages for amounts in excess of current reserves, which could adversely affect the Company's financial results. During the first quarter of 2024, the Company recorded legal and other losses of \$ 3.7 million representing an offer to settle a lawsuit, as well as estimated costs related to an unrecoverable asset. The Company believes the outcome of any outstanding loss contingencies as of March 31, 2024 will not have a material adverse effect on its business, financial condition, results of operations, or cash flows.

#### *Sales and Other State Non-Income Tax Liabilities*

The Company's sales and other state non-income tax filings are subject to routine audits by authorities in the jurisdictions where it conducts business in the United States which may result in assessments of additional taxes. The Company accrues sales and other non-income tax liabilities based on the Company's best estimate of its probable liability utilizing currently available information and interpretation of relevant tax regulations. Given the nature of the Company's business, significant subjectivity exists as to both whether sales and other state non-income taxes can be assessed on its activity and how the sales tax will ultimately be measured by the relevant jurisdictions. The Company makes a determination for each reporting period whether the estimates for sales and other non-income taxes in certain states should be revised. The expense is included in selling, general and administrative expenses in the Company's condensed consolidated statements of operations and comprehensive income and the liability is reflected in sales tax payable within other current liabilities in its condensed consolidated balance sheets.

#### **14. INCOME TAXES**

For the three-month periods ended March 31, 2024 and 2023, the Company calculated the provision for income taxes by applying an annual effective tax rate to ordinary income for the interim reporting period. The Company's effective tax rate for the three months ended March 31, 2024 and 2023 was 27.0 % and 26.6 %, respectively, including the impact of discrete items. Excluding discrete items, the Company's effective tax rate for the three months ended March 31, 2024 and 2023 was 37.0 % and 30.0 %, respectively. The effective tax rates for the first quarter of 2024 and 2023 were primarily impacted by federal and state taxes. The increase in the effective tax rate was primarily related to a decrease in book income relative to nondeductible items.

As of March 31, 2024, the Company had approximately \$ 11.3 million of unrecognized tax benefits included in other non-current liabilities, \$ 10.7 million, net of deferred taxes, which would impact the effective tax rate if recognized. During the three months ended March 31, 2024, the Company had net increases of \$ 0.7 million to its current year unrecognized tax benefits related to federal and state tax provisions.

Effective January 1, 2024, many jurisdictions implemented the Pillar Two rules issued by the Organization for Economic Co-operation and Development. In general, large multinational entity groups with consolidated revenue in excess of 750 million Euros in at least two of the preceding four years could be subject to the new rules in jurisdictions with an effective tax rate below fifteen percent. We currently do not operate in any jurisdictions that have implemented the Pillar Two rules, but jurisdictions may adopt retroactively to January 1, 2024. We do not expect the adoption of the Pillar Two rules by any jurisdiction in which we currently operate to have a material impact on our financial statements.

The tax years 2012 through 2023 remain open to examination by certain taxing jurisdictions to which the Company is subject to tax.

#### **15. RELATED PARTY TRANSACTIONS**

The Company has entered into an arrangement for digital marketing services provided by a firm that is related to Mr. Kevin C. Clark, the Company's non-executive Chairman of the Board of Directors since April 1, 2022, and the Company's Co-Founder & Chief Executive Officer through March 31, 2022. Mr. Clark is a minority shareholder in the firm's parent company and is a member of the parent company's Board of Directors. Management believes the terms of the arrangement are equivalent to those prevailing in an arm's-length transaction and have been approved by the Company through its related party process. The digital marketing firm manages a limited number of digital publishers covering various Company brands for a monthly management fee. During the three months ended March 31, 2024 and 2023, the Company incurred an immaterial amount in expenses and had an immaterial payable balance at March 31, 2024 and December 31, 2023.

The Company provides services to entities which are affiliated with certain members of the Company's Board of Directors. Management believes the services were conducted on terms equivalent to those prevailing in an arm's-length transaction. Revenue related to these transactions was immaterial for the three months ended March 31, 2024 and 2023. Accounts receivable due from these entities was an immaterial amount at March 31, 2024 and December 31, 2023.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The purpose of the following Management's Discussion and Analysis (MD&A) is to help facilitate the understanding of significant factors influencing the quarterly operating results, financial condition, and cash flows of the Company. Additionally, MD&A also conveys our current expectations of the potential impact of known trends, events, or uncertainties that may impact future results. MD&A is provided as a supplement to, and should be read in conjunction with, our Annual Report on Form 10-K for the year ended December 31, 2023 (2023 Form 10-K) (including Part I, Item 1A. "Risk Factors"), our financial statements and the accompanying notes to our financial statements.

### **Business Overview**

We provide total talent management services, including strategic workforce solutions, contingent staffing, permanent placement, and consultative services for healthcare customers across the continuum of care, by recruiting and placing highly qualified healthcare professionals in virtually every specialty and area of expertise. In addition to clinical roles such as school nurses, speech language, and behavioral therapists, we place non-clinical professionals such as teachers, substitute teachers, and other education specialties at educational facilities across the nation. Our diverse customer base includes both public and private acute care and non-acute care hospitals, outpatient clinics, ambulatory care facilities, single- and multi-specialty physician practices, rehabilitation facilities, Program of All-Inclusive Care for the Elderly (PACE) programs, urgent care centers, local and national healthcare systems, managed care providers, public and charter schools, correctional facilities, government facilities, pharmacies, and many other healthcare providers. Through our national staffing teams, we offer our workforce solutions and place clinicians on travel and per diem assignments, local short-term contracts, and permanent positions. In addition, we continually evaluate opportunities to acquire companies that would complement or enhance our business, like WSG and Mint.

Our workforce solutions include managed service programs (MSPs), vendor management systems (VMS), in-home care services, education health services, recruitment process outsourcing (RPO), project management, and other outsourcing and consultative services as described in Item 1.

"Business" in our 2023 Form 10-K. By utilizing the solutions that we offer, customers are able to better plan their personnel needs, optimize their talent acquisition and management processes, strategically flex and balance their workforce, have access to quality healthcare personnel, and provide continuity of care for improved patient outcomes. We have a history of investing in diversity, equality, and inclusion as a key component of the organization's overall corporate social responsibility program, which we believe is closely aligned with our core values to create a better future for our people, communities, and our stockholders.

The Company's two reportable segments offer services to its customers as described below:

- *Nurse and Allied Staffing* – Nurse and Allied Staffing represented approximately 88% of total revenue in the first quarter of 2024. The Nurse and Allied Staffing segment provides workforce solutions and traditional staffing, including temporary and permanent placement of travel nurses and allied professionals, as well as per diem and contract nurses and allied personnel. We also provide clinical and non-clinical professionals on short-term and long-term assignments to customers such as local and national healthcare plans, managed care providers, public and charter schools, correctional facilities, skilled nursing facilities, and other non-acute settings. In addition, Nurse and Allied Staffing provides executive search services for healthcare professionals, as well as contingent search and recruitment process outsourcing services. We provide flexible workforce solutions to our healthcare customers through diversified offerings designed to meet their unique needs, including MSP, RPO, and consulting services. We also offer our SaaS-based, proprietary, vendor management technology, Intellify® to facilities to manage all or a portion of their agency services.
- *Physician Staffing* – Physician Staffing represented approximately 12% of total revenue in the first quarter of 2024. Physician Staffing provides physicians in many specialties, as well as certified registered nurse anesthetists, nurse practitioners, and physician assistants as independent contractors on temporary assignments throughout the United States.

## **Summary of Operations**

For the quarter ended March 31, 2024, revenue from services decreased 39% year-over-year to \$379.2 million, due to a decrease in demand and average bill rates within the Nurse and Allied Staffing segment, primarily in travel and local large acute settings. The Physician Staffing segment experienced year-over-year double-digit revenue growth due to price and volume increases. Net income attributable to common stockholders in the first quarter of 2024 was \$2.7 million, as compared to \$29.4 million for the same period in the prior year.

For the three months ended March 31, 2024, cash and cash equivalents totaled \$5.2 million, with no debt outstanding. Cash flow provided by operating activities was \$6.0 million, with a decrease in working capital stemming from a decrease in net receivables, partially offset by the timing of disbursements. As of March 31, 2024, there were no borrowings drawn under the revolving senior-secured asset-based credit facility (ABL), and borrowing base availability was \$200.1 million, with \$186.3 million of availability net of \$13.8 million of letters of credit.

We will continue to remain responsive to the current market conditions while also ensuring that we maintain a solid foundation for growth once demand inflects. That includes ongoing strategic tech investments that further enhance our competitive positioning, and expanding our existing customer relationships.

See Results of Operations, Segment Results, and Liquidity and Capital Resources sections that follow for further information.

## **Operating Metrics**

We evaluate our financial condition by tracking operating metrics and financial results specific to each of our segments. Key operating metrics include hours worked, days filled, number of contract personnel on a full-time equivalent (FTE) basis, revenue per FTE, and revenue per day filled. Other operating metrics include number of open orders, candidate applications, contract bookings, length of assignment, bill and pay rates, renewal and fill rates, number of active searches, and number of placements. These operating metrics are representative of trends that assist management in evaluating business performance. Due to the timing of our business process and other factors, certain of these operating metrics may not necessarily correlate to the reported U.S. GAAP results for the periods presented. Some of the segment financial results analyzed include revenue, operating expenses, and contribution income. In addition, we monitor cash flow, as well as operating and leverage ratios, to help us assess our liquidity needs.

<b>Business Segment</b>	<b>Business Measurement</b>
<b>Nurse and Allied Staffing</b>	FTEs represent the average number of Nurse and Allied Staffing contract personnel on a full-time equivalent basis. Average revenue per FTE per day is calculated by dividing the Nurse and Allied Staffing revenue, excluding permanent placement, per FTE by the number of days worked in the respective periods.
<b>Physician Staffing</b>	Days filled is calculated by dividing the total hours invoiced during the period, including an estimate for the impact of accrued revenue, by eight hours. Revenue per day filled is calculated by dividing revenue as reported by days filled for the period presented.

## Results of Operations

The following table summarizes, for the periods indicated, selected condensed consolidated statements of operations and comprehensive income data expressed as a percentage of revenue. Our historical results of operations are not necessarily indicative of future operating results.

	Three Months Ended	
	March 31,	
	2024	2023
Revenue from services	100.0 %	100.0 %
Direct operating expenses	79.6	77.6
Selling, general and administrative expenses	16.7	13.5
Bad debt expense	0.3	0.8
Depreciation and amortization	1.2	0.8
Restructuring costs	0.2	0.1
Legal and other losses	1.0	0.2
Impairment charges	0.2	—
Income from operations	0.8	7.0
Interest expense	0.1	0.6
Other income, net	(0.3)	—
Income before income taxes	1.0	6.4
Income tax expense	0.3	1.7
Net income attributable to common stockholders	<u>0.7 %</u>	<u>4.7 %</u>

**Comparison of Results for the Three Months Ended March 31, 2024 and the Three Months Ended March 31, 2023**

	Three Months Ended March 31,			
			Increase (Decrease)	Increase (Decrease)
	2024	2023	\$	%
(Amounts in thousands)				
Revenue from services	\$ 379,174	\$ 622,707	\$ (243,533)	(39.1) %
Direct operating expenses	301,877	483,284	(181,407)	(37.5) %
Selling, general and administrative expenses	63,252	84,260	(21,008)	(24.9) %
Bad debt expense	1,290	4,908	(3,618)	(73.7) %
Depreciation and amortization	4,642	4,904	(262)	(5.3) %
Restructuring costs	938	429	509	118.6 %
Legal and other losses	3,650	1,125	2,525	224.4 %
Impairment charges	604	—	604	100.0 %
Income from operations	2,921	43,797	(40,876)	(93.3) %
Interest expense	462	3,690	(3,228)	(87.5) %
Other income, net	(1,230)	(12)	(1,218)	NM
Income before income taxes	3,689	40,119	(36,430)	(90.8) %
Income tax expense	997	10,683	(9,686)	(90.7) %
Net income attributable to common stockholders	<u>\$ 2,692</u>	<u>\$ 29,436</u>	<u>\$ (26,744)</u>	<u>(90.9) %</u>

NM - Not meaningful

**Revenue from services**

Revenue from services decreased 39.1% to \$379.2 million for the three months ended March 31, 2024, as compared to \$622.7 million for the three months ended March 31, 2023, due to volume and bill rate declines in the Nurse and Allied Staffing segment partially offset by volume and price increases in the Physician Staffing segment. See further discussion in Segment Results.

**Direct operating expenses**

Direct operating expenses consist primarily of field employee compensation and independent contractor expenses, housing expenses, travel expenses, and related insurance expenses. Direct operating expenses decreased \$181.4 million, or 37.5%, to \$301.9 million for the three months ended March 31, 2024, as compared to \$483.3 million for the three months ended March 31, 2023, due to the tightening of the bill/pay spreads and a rise in burden costs such as health insurance, professional liability, and workers' compensation. As a percentage of total revenue, direct operating expenses increased to 79.6%, as compared to 77.6% in the prior year period.

**Selling, general and administrative expenses**

Selling, general and administrative expenses decreased 24.9% to \$63.3 million for the three months ended March 31, 2024, as compared to \$84.3 million for the three months ended March 31, 2023, primarily due to decreases in compensation and benefit expense through proactive cost management, partially offset by costs related to the implementation of our ERP system. As a percentage of total revenue, selling, general and administrative expenses increased to 16.7% for the three months ended March 31, 2024, as compared to 13.5% for the three months ended March 31, 2023.

**Bad Debt Expense**

Bad debt expense for the three months ended March 31, 2024 was \$1.3 million, as compared to \$4.9 million for the three months ended March 31, 2023. As a percentage of revenue, bad debt expense was 0.3% for the three months ended March 31, 2024, as compared to 0.8% for the three months ended March 31, 2023.

#### **Depreciation and amortization expense**

Depreciation and amortization expense for the three months ended March 31, 2024 was \$4.6 million, as compared to \$4.9 million for the three months ended March 31, 2023. The decrease was primarily related to fully amortized assets that were not replaced. As a percentage of revenue, depreciation and amortization expense was 1.2% for the three months ended March 31, 2024 and 0.8% for the three months ended March 31, 2023.

#### **Restructuring costs**

Restructuring costs for the three months ended March 31, 2024 and 2023 were primarily comprised of employee termination costs and ongoing lease exit costs. See Note 2 - Summary of Significant Accounting Policies to our condensed consolidated financial statements.

#### **Legal and other losses**

During the first quarter of 2024, the Company recorded legal and other losses of \$3.7 million representing an offer to settle a lawsuit, as well as estimated costs related to an unrecoverable asset. Legal and other losses totaled \$1.1 million for the three months ended March 31, 2023 and related to the settlement of a wage and hour class action lawsuit and associated legal fees.

#### **Impairment charges**

Non-cash impairment charges totaled \$0.6 million for the three months ended March 31, 2024 and related to real estate restructuring activities. There were no such charges for the three months ended March 31, 2023. See Note 9 - Leases to our condensed consolidated financial statements.

#### **Interest expense**

Interest expense was \$0.5 million for the three months ended March 31, 2024, as compared to \$3.7 million for the three months ended March 31, 2023, due to lower average borrowings, partially offset by a higher effective interest rate.

#### **Other income, net**

For the three months ended March 31, 2024, other income, net included a \$0.9 million decrease of the remaining earnout liability related to the Mint acquisition. See Note 4 - Acquisitions to our condensed consolidated financial statements.

#### **Income tax expense**

Income tax expense totaled \$1.0 million for the three months ended March 31, 2024, as compared to \$10.7 million for the three months ended March 31, 2023. The effective tax rates for the three months ended March 31, 2024 and 2023 were primarily impacted by federal and state taxes. The decrease in income tax expense was primarily related to a decrease in book income. See Note 14 - Income Taxes to our condensed consolidated financial statements.

## Segment Results

Information on operating segments and a reconciliation to income from operations for the periods indicated are as follows:

	Three Months Ended		
	March 31,		
	2024	2023	
(amounts in thousands)			
Revenue from services:			
Nurse and Allied Staffing	\$ 332,186	\$ 582,302	
Physician Staffing	46,988	40,405	
	<u>\$ 379,174</u>	<u>\$ 622,707</u>	
Contribution income:			
Nurse and Allied Staffing	\$ 27,183	\$ 67,169	
Physician Staffing	3,138	1,724	
	<u>30,321</u>	<u>68,893</u>	
Corporate overhead		17,566	18,656
Depreciation and amortization		4,642	4,904
Restructuring costs		938	429
Legal and other losses		3,650	1,125
Impairment charges		604	—
Other benefits		—	(18)
Income from operations	<u>\$ 2,921</u>	<u>\$ 43,797</u>	

See Note 12 - Segment Data to our condensed consolidated financial statements.

Certain statistical data for our business segments for the periods indicated are as follows:

	Three Months Ended			Percent Change	
	March 31,		Change		
	2024	2023			
<b>Nurse and Allied Staffing statistical data:</b>					
FTEs	9,124	12,518	(3,394)	(27.1)%	
Average Nurse and Allied Staffing revenue per FTE per day	\$ 397	\$ 513	\$ (116)	(22.6)%	
<b>Physician Staffing statistical data:</b>					
Days filled	23,785	22,097	1,688	7.6 %	
Revenue per day filled	\$ 1,976	\$ 1,829	\$ 147	8.0 %	

See definition of Business Measurements under the Operating Metrics section of the MD&A.

## **Segment Comparison - Three Months Ended March 31, 2024 and Three Months Ended March 31, 2023**

### ***Nurse and Allied Staffing***

Revenue decreased \$250.1 million, or 43.0%, to \$332.2 million for the three months ended March 31, 2024, as compared to \$582.3 million for the three months ended March 31, 2023, driven by a decline in the number of travel and local professionals on assignment and lower bill rates. Within the segment, HomeCare Staffing and Education both experienced revenue growth in the first quarter of 2024.

Contribution income decreased \$40.0 million, or 59.5%, to \$27.2 million for the three months ended March 31, 2024, as compared to \$67.2 million for the three months ended March 31, 2023. As a percentage of segment revenue, contribution income margin was 8.2% for the three months ended March 31, 2024, as compared to 11.5% for the three months ended March 31, 2023.

The average number of FTEs on contract during the three months ended March 31, 2024 decreased 27.1% from the three months ended March 31, 2023, primarily due to headcount decline in travel nurse and local. The average revenue per FTE per day decreased 22.6%.

### ***Physician Staffing***

Revenue increased \$6.6 million, or 16.3%, to \$47.0 million for the three months ended March 31, 2024, as compared to \$40.4 million for the three months ended March 31, 2023, primarily due to a balanced improvement in both volume and price, with an increase in revenue per day filled.

Contribution income was \$3.1 million for the three months ended March 31, 2024, as compared to \$1.7 million for the three months ended March 31, 2023. As a percentage of segment revenue, contribution income was 6.7% for the three months ended March 31, 2024, as compared to 4.3% for the three months ended March 31, 2023.

Total days filled for the three months ended March 31, 2024 was 23,785, as compared with 22,097 in the prior year. Revenue per day filled was \$1,976 as compared with \$1,829 in the prior year, due to the improved mix of business.

### ***Corporate Overhead***

Corporate overhead includes unallocated executive leadership and other centralized corporate functional support costs, such as finance, IT, legal, human resources, and marketing, as well as public company expenses and corporate-wide projects. Corporate overhead decreased to \$17.6 million for the three months ended March 31, 2024, from \$18.7 million for the three months ended March 31, 2023, primarily due to decreases in compensation and benefit expense, partially offset by increases in computer expenses, insurance, and legal. As a percentage of consolidated revenue, corporate overhead was 4.6% for the three months ended March 31, 2024 and 3.0% for the three months ended March 31, 2023.

### **Liquidity and Capital Resources**

On June 30, 2023, we repaid all \$73.9 million in outstanding obligations under the term loan and terminated the debt agreement. As of March 31, 2024, we reported \$5.2 million in cash and cash equivalents, with no borrowings drawn under the ABL, and no off-balance sheet arrangements. Working capital decreased by \$7.7 million to \$258.9 million as of March 31, 2024, as compared to \$266.6 million as of December 31, 2023, primarily due to a decrease in net receivables, partially offset by the timing of disbursements. As of March 31, 2024, our days' sales outstanding, net of amounts owed to subcontractors, was 74 days, up 4 days year-over-year and up 6 days sequentially, and excluding the impact from one MSP client, would have been 5 days less.

Operating cash flow constitutes our primary source of liquidity and, historically, has been sufficient to fund working capital, capital expenditures, internal business expansion, and debt service. This includes commitments, both short-term and long-term, of interest expense on our debt and operating lease commitments, and future principal payments on the ABL. We expect to meet our future cash needs from a combination of cash on hand, operating cash flows, and funds available through the ABL. See the debt discussion which follows.

In the third quarter of 2022, the Board of Directors authorized the Repurchase Program, whereby we may repurchase up to \$100.0 million shares of common stock, and during the fourth quarter of 2022, we entered into a Rule 10b5-1 Repurchase Plan

to allow for share repurchases during blackout periods, effective through November 2, 2023. In the second quarter of 2023, the Board of Directors authorized the replenishment of the amount available for stock repurchases under the Repurchase Program back to \$100.0 million, effective for trades made after May 3, 2023. In the third quarter of 2023, we entered into a new Rule 10b5-1 Repurchase Plan to allow for share repurchases during the Company's blackout periods, beginning on January 2, 2024. During the three months ended March 31, 2024, the Company repurchased a total of 310,235 shares of common stock for \$6.4 million, at an average price of \$20.51 per share. As of March 31, 2024, we had \$70.9 million remaining for share repurchase under the Repurchase Program, subject to certain conditions in our Loan Agreement.

Net cash provided by operating activities decreased \$40.9 million to \$6.0 million for the three months ended March 31, 2024, as compared to \$46.9 million for the three months ended March 31, 2023.

Net cash used in investing activities was \$2.2 million for the three months ended March 31, 2024, as compared to \$3.5 million for the three months ended March 31, 2023. Net cash used in the three months ended March 31, 2024 was for capital expenditures. Net cash used in the three months ended March 31, 2023 was for capital expenditures and an immaterial amount related to the local business acquisition.

Net cash used in financing activities during the three months ended March 31, 2024 was \$15.7 million, as compared to \$46.7 million used in financing activities during the three months ended March 31, 2023. During the three months ended March 31, 2024, we used cash to pay \$2.7 million for income taxes on share-based compensation, \$6.4 million for share repurchases, and \$6.6 million for contingent consideration. During the three months ended March 31, 2023, we reported net repayments of \$10.4 million on debt, and used cash to pay \$4.5 million for income taxes on share-based compensation, \$31.8 million for share repurchases, and an immaterial amount for other financing activities.

## Debt

### *2021 Term Loan Credit Agreement*

On June 8, 2021, we entered into the Term Loan Agreement, which provided for a six-year second lien subordinated term loan in the amount of \$100.0 million (term loan). On November 18, 2021, we amended the Term Loan Agreement (Term Loan First Amendment), which provided the Company an incremental term loan in an aggregate amount equal to \$75.0 million. On April 14, 2023, we amended the Term Loan Agreement (Term Loan Second Amendment), which provided the option for all or a portion of the borrowings to bear interest at a rate based on the Secured Overnight Financing Rate (SOFR) or the Base Rate, at the election of the borrowers, plus an applicable margin. With respect to any SOFR loan, the rate per annum was equal to the Term SOFR (as defined in the Term Loan Second Amendment) for the interest period plus an adjustment of 10 basis points due to the credit spread associated with the transition to SOFR.

As more fully described in Note 8 - Debt to our condensed consolidated financial statements, on June 30, 2023, we repaid all outstanding obligations under the term loan, and terminated the Term Loan Agreement. As a result, debt issuance costs of \$1.7 million were written off in the second quarter of 2023 and are included as loss on early extinguishment of debt in the condensed consolidated statements of operations and comprehensive income. All subsidiary guarantees of the term loan were automatically released upon the termination of the Term Loan Agreement.

### *2019 Asset-Based Loan Agreement*

Effective October 25, 2019, the prior senior credit facility entered into in August 2017 was replaced by a \$120.0 million asset-based loan agreement (Loan Agreement), which provided for a five-year senior secured revolving credit facility. On June 30, 2020, we amended the Loan Agreement (First Amendment), which increased the current aggregate committed size of the ABL from \$120.0 million to \$130.0 million. All other terms, conditions, covenants, and pricing of the Loan Agreement remained the same. On March 8, 2021, we amended the Loan Agreement (Second Amendment), which increased the current aggregate committed size of the ABL from \$130.0 million to \$150.0 million, increased certain borrowing base sub-limits, and decreased both the cash dominion event and financial reporting triggers. On June 8, 2021, we amended the Loan Agreement (Third Amendment), which permitted the incurrence of indebtedness and grant of security as set forth in the Loan Agreement and in accordance with the Intercreditor Agreement, and provides mechanics relating to a transition away from LIBOR as a benchmark interest rate to a replacement alternative benchmark rate or mechanism for loans made in U.S. dollars. On November 18, 2021, we amended the Loan Agreement (Fourth Amendment), whereby the permitted indebtedness (as defined in the Loan Agreement) was increased to \$175.0 million. On March 21, 2022, we amended the Loan Agreement (Fifth Amendment), which increased the current aggregate committed size of the ABL from \$150.0 million to \$300.0 million, extended the credit facility for an additional five years, increased certain borrowing base sub-limits, and provided the option for

all or a portion of the borrowings to bear interest at a rate based on SOFR or Base Rate, at the election of the borrowers, plus an applicable margin. On September 29, 2023, we amended the Loan Agreement (Sixth Amendment), which changed the minimum fixed charge coverage ratio from a maintenance covenant to a springing covenant based on excess availability. For the three months ended March 31, 2024, the excess availability did not fall below the stated threshold and, as a result, there was no covenant compliance period.

As of March 31, 2024, the interest rate spreads and fees under the Loan Agreement were based on SOFR plus 1.85% for the revolving portion of the borrowing base. The Base Rate (as defined by the Loan Agreement) margin would have been 0.75% for the revolving portion. The SOFR and Base Rate margins are subject to monthly adjustments, pursuant to a pricing matrix based on our excess availability under the revolving credit facility. In addition, the facility is subject to an unused line fee, letter of credit fees, and an administrative fee. Borrowing base availability under the ABL was \$200.1 million as of March 31, 2024, with no borrowings drawn and \$186.3 million of availability net of \$13.8 million of letters of credit.

See Note 8 - Debt to our condensed consolidated financial statements.

**Critical Accounting Policies and Estimates**

Our critical accounting policies and estimates remain consistent with those reported in our 2023 Form 10-K.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

#### *Interest Rate Risk*

We are exposed to variable interest rate risk associated with our Loan Agreement entered into on October 25, 2019. This agreement charges interest at a rate based on either SOFR or Base Rate (as defined in the agreement) plus an applicable margin. Our Term Loan Agreement, entered into on June 8, 2021, was repaid and terminated on June 30, 2023.

A 1% change in interest rates would have resulted in interest expense fluctuating an immaterial amount for the three months ended March 31, 2024, and approximately \$0.4 million for the three months ended March 31, 2023. See Note 8 - Debt to our condensed consolidated financial statements.

#### *Other Risks*

There have been no material changes to our other exposures as disclosed in our 2023 Form 10-K.

### **ITEM 4. CONTROLS AND PROCEDURES**

We carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act), as of the end of the period covered by this report. Based upon the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective. Disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, communicated to management, including the Chief Executive Officer and the Chief Financial Officer, and reported within the time periods specified in the SEC's rules and forms. The disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports required under the Exchange Act is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, in order to allow timely decisions regarding any required disclosure.

There were no changes in our internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. – OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

Information with respect to certain legal proceedings is included in Part I, Item 1, Note 13 - Contingencies - *Legal Proceedings* of this Quarterly Report on Form 10-Q, and is incorporated herein by reference.

### ITEM 1A. RISK FACTORS

There are no material changes to our Risk Factors as previously disclosed in our 2023 Form 10-K.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

#### (c) Issuer Purchases of Equity Securities

The following table sets forth the number of shares purchased, the average price paid per share, the total number of shares purchased as part of publicly announced programs, and the approximate dollar value of shares that may yet be purchased under the programs during each month in the first fiscal quarter ended March 31, 2024. See Note 11 - Stockholders' Equity contained in "Notes to Condensed Consolidated Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (b)
(dollar value in thousands, except per share data)				
January 1 through January 31	131,334	\$22.38	131,334	\$74,318
February 1 through February 29	104,901	\$19.64	104,901	\$72,257
March 1 through March 31	74,000	\$18.40	74,000	\$70,896
<b>Total</b>	<b>310,235</b>	<b>\$20.51</b>	<b>310,235</b>	<b>\$70,896</b>

(a) Shares were repurchased under the Repurchase Program. The program has no expiration date but may be terminated by the Board of Directors at any time. No shares were purchased other than through publicly announced programs during the periods shown.

(b) On May 1, 2023, the Board of Directors authorized approximately \$59.0 million in additional share repurchases, such that, effective for trades made after May 3, 2023, the aggregate amount available for stock repurchases under the Repurchase Program was \$100.0 million. Amounts shown in this column reflect amounts remaining under the Repurchase Program referenced in Note 11 - Stockholders' Equity in Part I, Item 1 of this Quarterly Report on Form 10-Q.

## **ITEM 5. OTHER INFORMATION**

### **(a) Other Information**

On April 24, 2024, the Board of Directors of the Company adopted the following amendments to the Company's Amended and Restated By-laws (By-laws), effective as of April 24, 2024.

- Section 4.1 of the By-laws has been amended to clarify that the titles and duties of officers of the Company must be either as stated in the By-laws or as determined by the Board of Directors in a manner consistent with the By-laws.
- Sections 6.1, 6.2, and 6.8 of the By-laws have been amended to remove mandatory indemnification and advancement rights for employees while authorizing the Company to provide such rights in its discretion and otherwise clarifies the definition of officers of the Company who are entitled to mandatory indemnification and advancement.

The By-laws, as amended, also incorporate certain clarifying, ministerial, non-substantive, and conforming changes.

The foregoing description of the amendments to the By-laws is a summary and is qualified in its entirety by reference to the full text of the By-laws as adopted by the Board on April 24, 2024, a copy of which is included as Exhibit 3.1 attached hereto and incorporated herein by reference.

### **(c) Trading Plans**

Certain directors and officers (as defined in Rule 16a-1(f) under the Exchange Act) of the Company may execute purchases and sales of the Company's common stock through Rule 10b5-1 and non-Rule 10b5-1 equity trading plans. Pursuant to Item 408(a) of Regulation S-K, we are required to disclose whether any director or officer adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as that term is defined in Item 408(c) of Regulation S-K) during the most recently completed quarter.

During the three months ended March 31, 2024, neither the Company nor any of its Section 16 officers or directors adopted, modified, or terminated any contract, instruction, or written plan for the purchase or sale of the Company's securities, under either a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (in each case, as defined in Item 408(a) of Regulation S-K).

ITEM 6. EXHIBITS

No.	Description
*3.1	<a href="#">Amended and Restated By-laws of the Registrant</a>
*10.1 #	<a href="#">Confidential Separation Agreement and General Release of all Claims by and between Cross Country Staffing, Inc. and Daniel J. White, dated as of February 14, 2024</a>
*10.2 #	<a href="#">Addendum to the Confidential Separation Agreement and General Release of all Claims by and between Cross Country Staffing, Inc. and Daniel J. White, dated as of February 14, 2024</a>
*31.1	<a href="#">Certification pursuant to Rule 13a-14(a) and Rule 15d-14(a) and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by John A. Martins, President, Chief Executive Officer, Director (Principal Executive Officer)</a>
*31.2	<a href="#">Certification pursuant to Rule 13a-14(a) and Rule 15d-14(a) and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by William J. Burns, Executive Vice President, Chief Financial Officer (Principal Financial Officer)</a>
**32.1	<a href="#">Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by John A. Martins, President, Chief Executive Officer, Director (Principal Executive Officer)</a>
**32.2	<a href="#">Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by William J. Burns, Executive Vice President, Chief Financial Officer (Principal Financial Officer)</a>
*101.INS	XBRL Instance Document
*101.SCH	XBRL Taxonomy Extension Schema Document
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)
#	Represents a management contract or compensatory plan or arrangement
*	Filed herewith
**	Furnished herewith

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CROSS COUNTRY HEALTHCARE, INC.**

Date: May 2, 2024

By: /s/ William J. Burns

William J. Burns  
Executive Vice President & Chief Financial Officer  
(Principal Financial Officer)

**AMENDED AND RESTATED BY-LAWS  
OF  
CROSS COUNTRY HEALTHCARE, INC.**

1. **MEETINGS OF STOCKHOLDERS.**

1.1 Annual Meeting. The annual meeting of stockholders of the Corporation shall be held at such date, place and time as determined by the Board of Directors (the "Board").

1.2 Place and Time of Meetings. Meetings of the stockholders may be held in or outside Delaware at the place and time specified by the Board. The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place but may instead be held solely by means of remote communication satisfying the applicable provisions of the Delaware General Corporation Law (or its successor statute as in effect from time to time).

1.3 Notice of Meetings; Waiver of Notice. Written notice of each meeting of stockholders shall be given to each stockholder entitled to vote at the meeting, except that (a) it shall not be necessary to give notice to any stockholder who submits a signed waiver of notice before or after the meeting, and (b) no notice of an adjourned meeting need be given, except when required by law. Unless otherwise required by law, each notice of a meeting shall be given, in the manner permitted by law, not fewer than 10 nor more than 60 days before the meeting and shall state the time and place of the meeting. The attendance of any stockholder at a meeting, without protesting at the beginning of the meeting that the meeting is not lawfully called or convened, shall constitute a waiver of notice by such stockholder.

1.4 Quorum. At any meeting of stockholders, the presence in person or by proxy of the holders of no less than a majority of the voting power of the outstanding shares entitled to vote shall constitute a quorum for the transaction of any business, unless or to the extent that the presence of a larger number may be required by law or by the rules of any stock exchange upon which the Corporation's securities are listed. In the absence of a quorum, stockholders may adjourn the meeting by the affirmative vote of majority of the voting power present in person or by proxy. Any officer entitled to preside at or to act as secretary of the meeting may also adjourn the meeting until a quorum is present. At any adjourned meeting at which a quorum is present, any action may be taken that might have been taken at the meeting as originally called. No notice of an adjourned meeting need be given, if the time and place are announced at the meeting at which the adjournment is taken, except that, if adjournment is for more than 30 days or if, after the adjournment, a new record date is fixed for the meeting, notice of the adjourned meeting shall be given in the manner required by law.

1.5 Voting; Proxies. Unless otherwise required by the Certificate of Incorporation or in these By-Laws, each stockholder of record shall be entitled to one vote, in person or by proxy, for each share registered in such stockholder's name. Corporate action to be taken by stockholder vote at a meeting, other than the election of directors, shall be authorized by the affirmative vote of a majority of the votes cast (affirmatively or negatively) at a meeting of

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stockholders, except as otherwise required by law or the rules of any stock exchange upon which the Corporation's securities are listed. Directors shall be elected in the manner provided in Section 2.1. Voting need not be by ballot, unless ordered by the chairman of the meeting. Each stockholder entitled to vote at any meeting of stockholders or to express consent to or dissent from corporate action in writing without a meeting may authorize another person to act for such stockholder by proxy. No proxy shall be valid after three years from its date unless it provides otherwise.

1.6 List of Stockholders. Not fewer than 10 days prior to the date of any meeting of stockholders, the Corporation shall prepare a complete list of stockholders entitled to vote at the meeting; provided, however, that if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the 10th day before the meeting date, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in such stockholder's name. Nothing contained in this section shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. For a period of not fewer than 10 days prior to the meeting, the list shall be available during ordinary business hours for inspection by any stockholder for any purpose germane to the meeting. During this period, the list shall be kept either (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation.

1.7 Action by Consent Without a Meeting. Any action required or permitted to be taken at any meeting of stockholders may be taken without a meeting and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not fewer than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice shall be given to those stockholders who did not consent in writing.

1.8 Record Date for Action by Written Consent. In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting (including by electronic transmission as permitted by law), the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board. Any stockholder of record seeking to have the stockholders authorize or take corporate action by consent shall, by written notice to the Secretary, request the Board to fix a record date. The Board shall promptly, but in all events within 10 days after the date on which such a request is received, adopt a resolution fixing the record date (unless a record date has previously been fixed by the Board pursuant to the first sentence of this Section 1.8). If no record date has been fixed by the Board within 10 days of the date on which such a request is received, the record date for determining stockholders

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entitled to consent to corporate action in writing without a meeting, when no prior action by the Board is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner required by law. If no record date has been fixed by the Board and prior action by the Board is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

#### 1.9 Advance Notice of Nominations and Business for Annual Meetings.

(A) Nominations of persons for election to the Board and the proposal of business to be transacted by the stockholders may be made at an annual meeting of stockholders (1) pursuant to the Corporation's proxy materials with respect to such meeting, (2) by or at the direction of the Board, or (3) by any stockholder of record of the Corporation (the "Record Stockholder") at the time of the giving of the notice required in the following paragraph, who is entitled to vote at the meeting and who has complied with the notice procedures set forth in this section. For the avoidance of doubt, the foregoing clause (3) shall be the exclusive means for a stockholder to make nominations or propose business (other than business included in the Corporation's proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (such act, and the rules and regulations promulgated thereunder, the "Exchange Act")), at an annual meeting of stockholders.

(B) For nominations or business to be properly brought before an annual meeting by a Record Stockholder pursuant to clause (3) of the foregoing paragraph, (1) the Record Stockholder must have given timely notice thereof in writing to the Secretary, (2) any such business must be a proper matter for stockholder action under Delaware law and (3) the Record Stockholder and the Stockholder Associated Person (as defined in Section 1.9(B)(1) below), if any, on whose behalf any such proposal or nomination is made, must have acted in accordance with the representations set forth in the Solicitation Statement required by these By-Laws. To be timely, a Record Stockholder's notice shall be received by the Secretary at the principal executive offices of the Corporation not less than 90 or more than 120 days prior to the one-year anniversary of the preceding year's annual meeting of stockholders; provided, however, that, subject to the last sentence of this Section 1.9(B), if the meeting is convened more than 30 days prior to or delayed by more than 60 days after the anniversary of the preceding year's annual meeting, or if no annual meeting was held in the preceding year, notice by the Record Stockholder to be timely must be so received not later than the close of business on the later of (a) the 90th day before such annual meeting or (b) the 10th day following the day on which the public announcement of the date of such meeting is first made. In no event shall an adjournment, or postponement of an annual meeting for which notice has been given, commence a new period for the giving of a Record Stockholder's notice.

(1) For purposes of these By-Laws, a "Stockholder Associated Person" of any Record Stockholder shall mean (A) any person controlling, directly or indirectly, or acting in concert with, such Record Stockholder or any beneficial owner described in the immediately following clause (B); (B) any beneficial owner of any securities of the Corporation

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owned of record or beneficially by such Record Stockholder and on whose behalf the proposal or nomination, as the case may be, is being made; or (C) any person controlling, controlled by or under common control with such person referred to in the preceding clauses (A) and (B).

(C) Such Record Stockholder's notice shall set forth:

(1) If such notice pertains to the nomination of directors, as to each person whom the Record Stockholder proposes to nominate for election or reelection as a director (each, a "Proposed Nominee") all information relating to such person as would be required to be disclosed in solicitations of proxies for the election of such nominees as directors pursuant to Regulation 14A under the Exchange Act, and such person's written consent to serve as a director if elected;

(2) As to any business that the Record Stockholder proposes to bring before the meeting, a brief description of such business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these By-Laws, the text of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such Record Stockholder and any Stockholder Associated Person on whose behalf the proposal is made;

(3) As to (a) the Record Stockholder giving the notice and (b) any Stockholder Associated Person on whose behalf the nomination or proposal is made (each, a "party"):

(i) the name and address of each such party;

(ii) (A) the class, series, and number of shares of the Corporation that are owned, directly or indirectly, beneficially and of record by each such party; (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise directly or indirectly owned beneficially by each such party, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation (a "Derivative Instrument"); (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which either party has a right to vote, directly or indirectly, any shares of any security of the Corporation, (D) any short interest in any security of the Corporation held by each such party (for purposes of this Section 1.9(C); a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security); (E) any rights to dividends on the shares of the Corporation owned beneficially directly or indirectly by each such party that are separated or separable from the underlying shares of the Corporation; (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which either party is a general partner

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or, directly or indirectly, beneficially owns an interest in a general partner; (G) any performance-related fees (other than an asset-based fee) that each such party is directly or indirectly entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of each such party's immediate family sharing the same household; and (H) any ownership of or other position held by the Record Stockholder or any Proposed Nominee or Stockholder Associated Person in any option, warrant, convertible security, stock appreciate right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to the trading price of (x) any security of the Corporation, or (y) any security of any publicly traded competitor of the Corporation or of any other issuer that was listed in the peer group disclosed most recently in either the Corporation's proxy statement or in Part III of Form 10-K filed with the Securities and Exchange Commission (the "SEC") (which information set forth in this paragraph shall be supplemented by such stockholder or such Stockholder Associated Person, as the case may be, not later than 10 days after the record date for determining the stockholders entitled to vote at the meeting; provided that, if such date is after the date of the meeting, not later than the day prior to the meeting);

(iii) any other information relating to each such party that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or the election of directors in a contested election pursuant to Section 14 of the Exchange Act; and

(iv) a statement whether or not each such party will deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of voting power of all of the shares of capital stock of the Corporation required under applicable law to carry the proposal or, in the case of a nomination or nominations, at least the percentage of voting power of all of the shares of capital stock of the Corporation reasonably believed by the Record Stockholder or beneficial holder, as the case may be, to be sufficient to elect the Proposed Nominees (such statement, a "Solicitation Statement");

(4) A description of the manner in which each Record Stockholder and any Stockholder Associated Person will conduct any solicitation (within the meaning of Rule 14a-1(l) under the Exchange Act) with respect to the nomination, including the name of each participant (as defined in Item 4 of Schedule 14A (or any successor provision) under the Exchange Act) in such solicitation, and an undertaking to conduct such solicitation in accordance with the applicable requirements of Regulation 14A under the Exchange Act and in connection therewith to deliver to holders of shares representing at least 67% of the voting power of the stock entitled to vote generally in the election of directors, at least 20 calendar days before the annual meeting, a physical copy of a definitive proxy statement for the solicitation of proxies for the Record Stockholder's Proposed Nominees (the "Proxy Statement Delivery Requirement");

(5) A description of the investment strategy or objective, if any, of the Record Stockholder and each Stockholder Associated Person that is not an individual and a copy of each prospectus, offering memorandum, marketing or similar document, and each presentation, report or other document that describes the performance, personnel or investment

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thesis of the Record Stockholder or any such Stockholder Associated Person or any plans or proposals of the Record stockholder or any such Stockholder Associated Person with respect to the Corporation;

(6) A certification that the Proposed Nominee will provide facts, statements and other information in all communications with the Corporation that are or will be true and correct in all material respects and that do not and will not omit to state a fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;

(7) An undertaking by the Record Stockholder to appear in person or by proxy at the annual meeting to nominate any Proposed Nominee or bring such business before the meeting, as applicable, and an acknowledgment that if the Record Stockholder does not so appear in person or by proxy at the meeting to nominate any such Proposed Nominees or bring such business before the meeting, as applicable, the Corporation need not bring such Proposed Nominee or such business for a vote at such meeting and any proxies or votes cast in favor of the election of such Proposed Nominee or of any proposal related to such other business need not be counted or considered;

(8) An undertaking by the Record Stockholder to notify the Corporation as promptly as practicable of any determination by the Record Stockholder to no longer solicit proxies for the election of any Proposed Nominee as a director at the annual meeting;

(9) A certification regarding whether the Record Stockholder, any Proposed Nominee and Stockholder Associated Person has complied with all applicable federal, state and other legal requirements in connection with such person's acquisition of capital stock or other securities of the Corporation and such person's acts or omissions as a stockholder of the Corporation, if such person is or has been a stockholder of the Corporation; and

(10) A representation that the Proposed Nominee will tender his or her resignation as a director of the Corporation if the Board determines that such Proposed Nominee fails to comply with the provisions of this Section 1.9(C), provides such Proposed Nominee notice of any such determination and, if such noncompliance may be cured, such Proposed Nominee fails to cure such noncompliance within 10 business days after delivery of such notice to such Proposed Nominee.

(D) A person shall not be eligible for election or reelection as a director at a meeting unless (1) the person is nominated by a Record Stockholder in accordance with Section 1.9(A)(3) or (2) the person is nominated by or at the direction of the Board. To be eligible to be a nominee for election or reelection as a director of the Corporation, a person must deliver to the Secretary at the principal executive offices of the Corporation the following information:

(1) A written representation and agreement, which shall be signed by such person and pursuant to which such person shall represent and agree that such person

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(i) consents to serving as a director if elected and currently intends to serve as a director for the full term for which such person is standing for election; (ii) is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity: (A) as to how the person, if elected as a director, will act or vote on any issue or question that has not been disclosed to the Corporation; or (B) that could limit or interfere with the person's ability to comply, if elected as director, with such person's fiduciary duties under applicable law; (iii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director or nominee that has not been disclosed to the Corporation; and (iv) if elected as a director, will comply with all of the Corporation's corporate governance, conflict of interest, confidentiality, and stock ownership and trading policies and guidelines, and any other Corporation policies and guidelines applicable to directors (which will be provided to such person promptly following a request therefor);

(2) All fully completed and signed questionnaires required of the Corporation's directors, which in the case of a Proposed Nominee, shall be included with the notice of nomination delivered to the Corporation in accordance with Section 1.9(C) (such forms of questionnaires shall be provided by the Corporation, within 10 business days after receipt of a written request therefor from the Record Stockholder, to such Record Stockholder); and

(3) A nominee for election or reelection as a director of the Corporation shall also provide to the Corporation such other information as the Corporation may reasonably request. Notwithstanding any other provision of these By-Laws, if a stockholder has submitted notice of an intent to nominate a candidate for election or reelection as a director pursuant to Section 1.9(B), the additional information required by this Section 1.9(D) shall be considered timely if provided to the Corporation promptly upon request by the Corporation, but in any event within five business days after such request, and all information provided pursuant to this Section 1.9(D) shall be deemed part of the stockholder's notice submitted pursuant to Section 1.9(B).

(E) The Board may reasonably require any Proposed Nominee to submit to one or more interviews with the Board or any committee thereof, and such Proposed Nominee shall make himself or herself available for any such interviews within 10 days following a request therefor from the Board or any committee thereof.

(F) Only such business shall be conducted at an annual meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this section. The chairman of the meeting shall have the power and the duty to determine whether a nomination or any business proposed to be brought before the meeting has been made in accordance with the procedures set forth in these By-Laws and, if any proposed nomination or business is not in compliance with these By-Laws, to declare that such defectively proposed business or nomination shall not be presented for stockholder action at the meeting and shall be disregarded.

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(G) For purposes of these By-Laws, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the Corporation with the SEC pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(H) Notwithstanding the foregoing provisions of this Section 1.9, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to matters set forth in this Section 1.9. Nothing in this Section 1.9 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

#### 1.10 Special Meetings.

(A) Special meetings of the stockholders may be called by the affirmative vote of a majority of the entire Board or by the Chairman and shall be called by the Secretary upon the written request of the holders of at least 20% (the "Requisite Percent") of the outstanding shares entitled to vote, provided that a special meeting called at the request of one or more stockholders (a "Stockholder Requested Special Meeting") shall be called by the Secretary only if each of the stockholder(s) requesting such meeting is a stockholder of record at the time of the request, is entitled to vote at the special meeting and complies with the notice procedures set forth in this section.

(B) In order for a Stockholder Requested Special Meeting to be called by the Secretary, one or more written requests for a special meeting (individually or collectively, a "Special Meeting Request") signed and dated by stockholders of record that own the Requisite Percent of outstanding stock of the Corporation, must be delivered to the Secretary at the principal executive offices of the Corporation and must be accompanied by:

(1) In the case of any Stockholder Requested Special Meetings at which director nominations are proposed to be presented, the information required by Sections 1.9(C)(1) and 1.9(D);

(2) In the case of any Stockholder Requested Special Meetings at which any business other than director nominations is proposed to be presented, the information required by Section 1.9(C)(2); and

(3) As to (a) each stockholder of record of the Corporation signing such request and (b) any Stockholder Associated Person on whose behalf the Stockholder Special Meeting Request is made, the information required by Section 1.9(C)(3).

(C) One or more written requests for a special meeting delivered to the Secretary shall constitute a valid Special Meeting Request only if such written request satisfies the requirements set forth above and has been dated and delivered to the Secretary within 60 days of the earliest valid, dated request. The determination of the validity of a Special Meeting Request shall be made in good faith by the Board of Directors, which determination shall be conclusive and binding on the Corporation and the stockholders, and the date of such

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determination is referred to herein as the 'Request Receipt Date.' A Special Meeting Request shall not be valid if (1) such request relates to an item of business that is not a matter on which stockholders are authorized to act under, or that involves a violation of, applicable law, (2) such request relates to an item of business that is the same or substantially similar to any item of business that was voted on at a meeting of stockholders occurring within 90 days preceding the earliest dated request for a special meeting, (3) such request does not comply with the requirements of the By-Laws, or (4) such request is received during the period commencing 90 days prior to the first anniversary of the date of the most recent annual meeting of stockholders and ending on the date of the next annual meeting of stockholders.

(D) A stockholder may revoke a Special Meeting Request by delivering a written revocation to the Secretary at any time prior to the Stockholder Requested Special Meeting, but if as a result of such revocation(s), there no longer are unrevoked requests from the Requisite Percent to call a Stockholder Requested Special Meeting, the Board shall have the discretion to determine whether or not to proceed with the Stockholder Requested Special Meeting.

(E) Business and nominations to be transacted at a Stockholder Requested Special Meeting shall be limited to (1) the business stated in the valid Special Meeting Request(s) received from the Requisite Percent of stockholders and (2) any additional business that the Board of directors determines to include in the Corporation's notice of meeting. In addition to the other requirements set forth in these By-Laws, for nominations and business to be properly brought before a special meeting, the record stockholder and beneficial owner, if any, on whose behalf such proposal or nomination is made, must have acted in accordance with the representations set forth in the Solicitation Statement required by these By-Laws. If none of the stockholders who submitted Special Meeting Request(s) (or their qualified representatives) appears at the Stockholder Requested Special Meeting to present the matter or matters to be brought before the special meeting that were specified in the Special Meeting Request(s), the Corporation need not present the matter or matters for a vote at the meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

(F) Any special meeting of stockholders shall be held at such date and time as may be fixed by the Board in accordance with these By-Laws and Section 213 of the Delaware General Corporation Law (the "DGCL"); provided, however, that a Stockholder Requested Special Meeting shall be called for a date not later than the date that is (1) 90 days after the Request Receipt Date, or (2) 50 days after the date the Corporation files definitive soliciting materials with respect to such meeting pursuant to Schedule 14A under the Exchange Act, whichever is latest.

(G) Only such business shall be conducted at a special meeting of stockholders as shall have been included in the notice of the meeting, which shall describe the purpose for which the meeting is called. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected (1) by or at the direction of the Board, and (2) in the case of a special meeting other than a Stockholder Requested Special Meeting, or in the case of a special meeting that is a Stockholder Requested Special Meeting if

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the stockholder wishing to make such nomination did not deliver a Stockholder Meeting Request with respect to such meeting, by such stockholder of record at the time of giving of notice provided for in this paragraph, who shall be entitled to vote at the meeting and who delivers a written notice to the Secretary setting forth the information set forth in Sections 1.9 and 1.10 above. Nominations by stockholders of persons for election to the Board may be made at such special meeting of stockholders only if such stockholder of record's notice required by the preceding sentence shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees otherwise proposed to be elected at such meeting. In no event shall an adjournment, or postponement of a special meeting for which notice has been given, commence a new period for the giving of a stockholder of record's notice. A person shall not be eligible for election or reelection as a director at a special meeting unless the person is nominated (i) by or at the direction of the Board or (ii) by a stockholder of record in accordance with the notice procedures set forth in this Section 1.10.

(H) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this section. The chairman of the meeting shall have the power and the duty to determine whether a nomination or any business proposed to be brought before the meeting has been made in accordance with the procedures set forth in these By-Laws and, if any proposed nomination or business is not in compliance with these By-Laws, to declare that such defectively proposed business or nomination shall not be presented for stockholder action at the meeting and shall be disregarded.

(I) Notwithstanding the foregoing provisions of this Section 1.10, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to matters set forth in this Section 1.10. Nothing in this Section 1.10 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

1.11 Organization. Such person as the Board may have designated or, in the absence of such a person, the Chairman of the Board or, in his or her absence, the President or, in his or her absence, such person as may be chosen by the holders of a majority of the voting power of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairman of the meeting. In the absence of the Secretary, the secretary of the meeting shall be such person as the chairman of the meeting appoints.

## 2. BOARD OF DIRECTORS.

2.1 Number, Qualification, Election and Term of Directors. The business of the Corporation shall be managed by the entire Board, which shall consist of such number of directors as shall be determined from time to time by the affirmative vote of a majority of the entire Board. A nominee for director shall be elected (a) where there is an uncontested election, if the votes cast for nominee's election exceed the votes cast against such nominee's election, with any incumbent director who fails to receive such a majority vote obligated to tender his or

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her resignation, and the Board obligated to decide and state publicly within 90 days whether it has accepted that resignation and the reasons for that decision and (b) where there is a contested election, by a plurality of the votes cast with respect to that director. For purposes of these By-Laws, there shall be a "contested election" where the Secretary receives a notice that a stockholder has nominated a person for election to the Board in compliance with the advance notice requirements for stockholder nominees for director set forth in these By-Laws and such nomination has not been withdrawn by such stockholder on or before the 10th day before the Corporation first mails its notice of meeting for such meeting to the stockholders. Each director elected shall hold office until the next annual meeting of stockholders and until the election and qualification of their respective successors, subject to the provisions of Section 2.9 of these By-Laws. As used in these By-Laws, the term "entire Board" means the total number of authorized directors the Corporation would have if there were no vacancies on the Board.

2.2 Quorum and Manner of Acting. A majority of the entire Board shall constitute a quorum for the transaction of business at any meeting. Action of the Board shall be authorized by the affirmative vote of the majority of the directors present at the meeting, if there is a quorum, unless otherwise required by law, by the Certificate of Incorporation, or by these By-Laws. To the fullest extent permitted by law, in the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum is present, without further notice or waiver of notice.

2.3 Place of Meetings. Meetings of the Board may be held in or outside Delaware as determined by the Board from time to time.

2.4 Annual and Regular Meetings. Annual meetings of the Board, for the election of officers and consideration of other matters, shall be held either (a) without notice immediately after the annual meeting of stockholders and at the same place, or (b) as soon as practicable after the annual meeting of stockholders, on notice as provided in Section 2.6. Regular meetings of the Board may be held without notice at such times and places as the Board determines. If the day fixed for a regular meeting is a legal holiday, the meeting shall be held on the next business day.

2.5 Special Meetings. Special meetings of the Board may be called by the Chairman, the Chief Executive Officer or by any two directors of the Board.

2.6 Notice of Meetings; Waiver of Notice. Notice of the time, date and place of each special meeting of the Board, and of each annual meeting not held immediately after the annual meeting of stockholders and at the same place, shall be given to each director by whom it is not waived by mailing written notice to such director at his or her residence or usual place of business at least three days before the meeting, or by delivering notice by facsimile or other electronic transmission or by telephone at least two days before the meeting. Notice need not be given to any director who submits a waiver of notice before or after the meeting or who attends the meeting without protesting at the beginning of the meeting the transaction of any business because the meeting was not lawfully called or convened. To the fullest extent permitted by law, notice of any adjourned meeting need not be given, other than by announcement at the meeting at which the adjournment is taken.

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2.7 Board or Committee Action Without a Meeting. Any action required or permitted to be taken by the Board or by any committee of the Board may be taken without a meeting, if all the members of the Board or the committee consent in writing or by electronic transmission to the adoption of a resolution authorizing the action. The resolution and the consents by the members of the Board or the committee shall be filed with the minutes of the proceedings of the Board or the committee.

2.8 Participation in Board or Committee Meetings by Conference Telephone. Any or all members of the Board or any committee of the Board may participate in a meeting of the Board or the committee by means of a conference telephone or other communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at the meeting.

2.9 Resignation and Removal of Directors. Any director may resign at any time by delivering his or her resignation, in writing or by electronic transmission, to the Chairman, President or Secretary, to take effect at the time specified in the resignation; the acceptance of a resignation, unless required by its terms, shall not be necessary to make it effective. Any or all of the directors may be removed at any time, either with or without cause, by vote of the stockholders.

2.10 Vacancies and Newly Created Directorships. Subject to the rights of the holders of any series of preferred stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board resulting from death, resignation, disqualification, removal from office or other cause shall, unless otherwise required by law or by resolution of the Board, be filled only by a majority vote of the directors then in office, though less than a quorum (and not by stockholders), and directors so chosen shall serve for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been chosen expires or until such director's successor shall have been duly elected and qualified. No decrease in the authorized number of directors shall shorten the term of any incumbent director.

2.11 Compensation. Directors shall receive such compensation as the Board determines, together with reimbursement of their reasonable expenses in connection with the performance of their duties. A director also may be paid for serving the Corporation or its affiliates or subsidiaries in other capacities.

### 3. COMMITTEES.

3.1 Executive Committee. The Board, by resolution adopted by the affirmative vote of a majority of the entire Board, may designate an executive committee of one or more directors, which shall have all the powers and authority of the Board, except as otherwise provided in the resolution, Section 141(c) of the DGCL or any other applicable law. The members of the executive committee shall serve at the pleasure of the Board.

3.2 Other Committees. The Board, by resolution adopted by the affirmative vote of a majority of the entire Board, may designate other committees of one or more directors,

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which, unless the Board's resolution establishing the committee provides otherwise, shall serve at the Board's pleasure and have such powers and duties as the Board determines.

3.3 Rules Applicable to Committees. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In case of the absence or disqualification of any member of a committee, the member or members present at a meeting of the committee and not disqualified, whether or not a quorum, may unanimously appoint another director to act at the meeting in place of the absent or disqualified member. Each committee shall adopt rules of procedure and shall meet as provided by those rules or by resolutions of the Board.

#### 4. OFFICERS.

4.1 Number. The officers of the Corporation shall be the Chairman, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Secretary and such other officers as may be appointed from time to time by or in the manner determined by the Board and shall hold such titles and duties as shall be stated in these By-Laws or as determined by the Board which is consistent with these By-Laws. Any two or more offices may be held by the same person.

4.2 Election; Term of Office. The officers of the Corporation shall be elected by or in the manner determined by the Board, and each such officer shall hold office until the next annual meeting of the Board and until the election of his or her successor.

4.3 Subordinate Officers. The Board may appoint subordinate officers, agents or employees, each of whom shall hold office for such period and have such powers and duties as determined by the Board that is consistent with these By-Laws.

4.4 Resignation and Removal of Officers. Any officer may resign at any time by delivering his or her resignation, in writing or by electronic transmission, to the Chairman, President or Secretary, to take effect at the time specified in the resignation; the acceptance of a resignation, unless required by its terms, shall not be necessary to make it effective. Any officer may be removed by or in the manner determined by the Board either with or without cause.

4.5 Vacancies. A vacancy in any office may be filled for the unexpired term in the manner prescribed in Sections 4.2 and 4.3 for election or appointment to the office.

4.6 The Chairman. The Chairman of the Board shall preside over all meetings of the Board at which he or she is present, and shall have such other powers and duties as chairmen of the boards of corporations usually have or the Board assigns to him or her.

4.7 The Chief Executive Officer. Subject to the control of the Board, the Chief Executive Officer shall manage and direct the daily business and affairs of the Corporation and shall communicate to the Board reports, proposals and recommendations for the Board's consideration or action. He or she may do and perform all acts on behalf of the Corporation and shall have such powers and perform such duties as the Board may from time to time prescribe or

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as may be prescribed in these By-Laws, and in the event of the absence, incapacity or inability to act of the Chairman, then the Chief Executive Officer shall perform the duties and exercise the powers of the Chairman.

4.8 President. The President shall have such powers and perform such duties as the Board or the Chairman may from time to time prescribe or as may be prescribed in these By-Laws.

4.9 Chief Operating Officer. The Chief Operating Officer shall have such powers and duties as the Board or the Chairman may from time to time prescribe.

4.10 Chief Financial Officer. The Chief Financial Officer shall have such other powers and duties as the Board or the President may from time to time prescribe.

4.11 The Secretary. The Secretary shall be the Secretary of, and keep the minutes of, all meetings of the Board and the stockholders, shall be responsible for giving notice of all meetings of stockholders and the Board, and shall keep the seal and, when authorized by the Board, apply it to any instrument requiring it. The Secretary shall have such powers and duties as the Board or the President may from time to time prescribe. In the absence of the Secretary from any meeting, the minutes shall be kept by the person appointed for that purpose by the presiding officer.

## 5. SHARES.

5.1 Certificates. Each holder of stock represented by certificates shall be entitled to a certificate signed by, or in the name of the Corporation. Each certificate shall be signed by the Chairman, Chief Executive Officer, President, a Vice President, the Secretary, an Assistant Secretary, the Treasurer, an Assistant Treasurer or any two authorized officers, and shall be sealed with the Corporation's seal or a facsimile of the seal. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

5.2 Transfers. Upon compliance with provisions restricting the transfer or registration of transfer of shares of capital stock, if any, share of the capital stock of the Corporation may be transferred on the books of the Corporation only by the holder of such shares or by its duly authorized attorney, upon the surrender to the Corporation or its transfer agent of the certificate representing such stock properly endorsed and the payment of taxes due thereon.

5.3 The Board or any transfer agent of the Corporation may direct one or more new certificate(s) representing stock of the Corporation to be issued in place of any certificate or certificates theretofore issued by the Corporation, alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost,

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stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the Board (or any transfer agent of the Corporation authorized to do so by a resolution of the Board) may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or such owner's legal representative, to give the Corporation a bond in such sum as the Board (or any transfer agent so authorized) shall direct to indemnify the Corporation against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen, or destroyed or the issuance of such new certificates, and such requirement may be general or confined to specific instances.

5.4 Determination of Stockholders of Record. The Board may fix, in advance, a date as the record date for the determination of stockholders entitled to notice of or to vote at any meeting of the stockholders, or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action.

5.5 Regulations. The Board shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer, registration, cancellation, and replacement of certificates representing stock of the Corporation.

## 6. INDEMNIFICATION AND INSURANCE.

6.1 Right to Indemnification. Each person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action or inaction in an official capacity or in any other capacity while serving as director or officer shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the DGCL, as amended from time to time, with respect to any proceeding against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, and with respect to a proceeding by or in the right of the Corporation, against all expenses (including attorneys' fees), actually and reasonably incurred or suffered by such person in connection therewith, and that indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of such person's heirs, executors and administrators. As used in this Section 6.1 and Section 6.2 below, "officer" shall mean persons other than directors who may be exculpated from liability pursuant to DGCL Section 102(b)(7) and any persons holding a title of vice president or above.

6.2 Advancement of Expenses. Expenses (including attorneys' fees) actually and reasonably incurred by a present or former officer or director of the Corporation in defending any Proceeding shall be paid by the Corporation in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified

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under this Article 6 or the DGCL. Such expenses (including attorneys' fees) actually and reasonably incurred by former directors and officers or by persons serving at the request of the Corporation as directors or officers of another Corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the Corporation deems reasonably appropriate. The right to advancement of expenses shall not apply to any Proceeding for which indemnity is excluded pursuant to these By-Laws.

Notwithstanding anything to the contrary in this Article 6, the Corporation shall indemnify and provide advancement to any such current or former director or officer seeking indemnification or advancement in connection with a proceeding (or part thereof) initiated by that person, only if that proceeding (or part thereof) was authorized by the Board, and the Corporation shall provide indemnification or advancement in connection with any proceeding brought by the Corporation that was authorized by the Board, only if and to the extent such indemnification or advancement is also authorized by the Board, or as otherwise required by law.

6.3 Right of Claimant to Bring Suit. If a claim under Section 6.1 is not paid in full by the Corporation within 30 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant also shall be entitled to be paid the expense of prosecuting that claim to the fullest extent permitted by law.

6.4 Non-Exclusivity of Rights. The right to indemnification and the advancement of expenses conferred in this Section 6 shall not be exclusive of any other right any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-Law, agreement, vote of stockholders or disinterested directors or by written policy.

6.5 Insurance. The Corporation shall maintain insurance, at its expense, to protect itself and any director, officer or employee of the Corporation or another corporation, partnership, joint venture, trust or other enterprise pursuant to which such person was serving at the request of the Corporation against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against that expense, liability or loss under Delaware law.

6.6 Expenses as a Witness. To the extent that any director or officer is by reason of such position, or a position with another entity at the request of the Corporation, a witness in any proceeding, such person shall be indemnified against all costs and expenses actually and reasonably incurred by such person or on such person's behalf in connection therewith.

6.7 Indemnity Agreements. The Corporation may enter into agreements with any director or officer of the Corporation providing for indemnification and advancement to the fullest extent permitted by Delaware law.

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6.8 Employees. To the extent that not prohibited by law, the Corporation may, in its sole discretion as determined by the Board, indemnify and advance expenses for any person who was or is made or is threatened to be made or is otherwise involved in any proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee of the Corporation or, while an employee of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorney fees) reasonably incurred by such person in connection with such proceeding, upon such terms and conditions as the Corporation shall determine in its sole discretion.

7. MISCELLANEOUS.

7.1 Seal. The Board shall adopt a corporate seal, which shall be in the form that the Board shall determine.

7.2 Fiscal Year. The Board may determine the Corporation's fiscal year. Until changed by the Board, the last day of the Corporation's fiscal year shall be December 31.

7.3 Voting of Shares in Other Entities. Unless the Board otherwise determines, shares in other entities held by the Corporation may be represented and voted by any officer of this Corporation or by a proxy or proxies appointed by an officer.

7.4 Amendments. The Board or the stockholders may adopt, amend and repeal By-Laws of the Corporation as set forth below. Notwithstanding any other provision of these By-Laws or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the capital stock of the Corporation required by law, these By-Laws or any preferred stock, the affirmative vote of a majority of the outstanding voting power of all of the then-outstanding shares entitled to vote thereon, voting together as a single class, shall be required to adopt, amend or repeal any provision of these By-Laws.

7.5 Electronic Transmission. For purposes of these By-Laws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases), that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

7.6 Periods. In applying any provision of these By-Laws that requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

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**CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE OF  
ALL CLAIMS**

February 14, 2024

Dan White  
402 Seville Avenue  
Newport Beach, California 92661

Re: Confidential Separation Agreement and General Release of All Claims

Dear Dan:

This letter confirms that on February 14, 2024, I delivered to you the enclosed Confidential Separation Agreement and General Release of All Claims ("Separation Agreement"). You have up to twenty-one (21) days after receipt of this Separation Agreement to consider whether to sign and date this Separation Agreement, in which you waive important rights, including those under the Age Discrimination in Employment Act of 1967. We advise you to consult with an attorney of your choosing prior to signing this Separation Agreement concerning the rights you are waiving as well as all other terms of this Separation Agreement.

Very truly yours,

Cross Country Staffing, Inc.

/s/ Colin P. McDonald

Colin McDonald, PHR, SHRM-CP Chief Human Resources  
Officer

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**CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE  
OF ALL CLAIMS**

This Confidential Separation Agreement and General Release of All Claims ("Separation Agreement") is entered into by and between **Dan White** ("Employee") and **Cross Country Staffing, Inc. d/b/a Cross Country Healthcare Professionals** ("Employer"). The term "Party" or "Parties" as used herein shall refer to Employee, Employer, or both, as may be appropriate.

1. **Last Day of Employment** Employee's last day of employment with Employer is March 31, 2024. ("Separation Date").

2. **Consideration**. In consideration for signing this Separation Agreement and complying with its terms, and provided Employee does not subsequently revoke this Separation Agreement within the allotted time, Employer agrees:

to pay to Employee TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS AND ZERO CENTS (\$225,000.00), representing six (6) months of salary at Employee's base rate of pay, less lawful deductions. The Severance Payment will be made in equal installments at Employee's last regular base pay rate during Employer's normal bi-weekly payroll dates, until the severance amount has been paid in full. Severance payments will begin in the next regular payroll period following the latter of Employer's receipt of this Separation Agreement signed and dated by Employee and Employee's Separation Date; It should also be acknowledged that both the employer and employee have reached a mutual agreement to conclude the employee's employment effective March 31, 2024.

3. **No Consideration Absent Execution of this Agreement** Employee understands and agrees that Employee would not receive the consideration specified in Section 2 above, except for Employee's execution of this Separation Agreement and the fulfillment of the promises contained herein. Breach by Employee of any of his obligations under this Agreement will result in the cessation of any outstanding installment payments otherwise due from Employer and the cessation of such outstanding payments will not impact Employee's obligations or release of claims under this Agreement.

4. **COBRA Benefits**. Employee understands and agrees that Employee's right to benefits under Employer's health and welfare benefit program, if any, shall be limited to those set forth under COBRA.

**5. General Release, Claims Not Released and Related Provisions**

(a) **General Release of Claims**. Employee, individually and on behalf of Employee's heirs, executors, administrators, representatives, attorneys, successors, and assigns knowingly and voluntarily releases and forever discharges Employer, including its parent corporation, affiliates, subsidiaries, divisions, predecessors, insurers, reinsurers, successors, and assigns, and their current and former employees, attorneys, officers, directors, and agents thereof,

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both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries, and insurers of such plans and programs, both individually and in their business capacities (collectively, the “Released Parties”), to the full extent permitted by law, of and from any and all claims, known and unknown, asserted and unasserted, which Employee has or may have against the Released Parties as of the date of execution of this Separation Agreement including, but not limited to, any alleged violation of:

- Title VII of the Civil Rights Act of 1964;
- The Civil Rights Act of 1991;
- Sections 1981 through 1988 of Title 42 of the United States Code, as amended;
- The Employee Retirement Income Security Act of 1974 (“ERISA”) (as modified below);
- The Immigration Reform and Control Act;
- The Americans with Disabilities Act of 1990;
- The Age Discrimination in Employment Act of 1967 (“ADEA”);
- The Workers Adjustment and Retraining Notification Act;
- The Occupational Safety and Health Act;
- The Sarbanes-Oxley Act of 2002;
- The Fair Credit Reporting Act;
- The Family and Medical Leave Act;
- The Equal Pay Act;
- The Genetic Information Nondiscrimination Act of 2008;
- California Family Rights Act – Cal. Gov’t Code § 12945.2;
- California Fair Employment and Housing Act – Cal. Gov’t Code § 12900 et seq.;
- California Unruh Civil Rights Act – Cal. Civ. Code § 51 et seq.;
- Statutory Provisions Regarding the Confidentiality of AIDS Information – Cal. Health & Safety Code § 120775 et seq.;
- California Confidentiality of Medical Information Act – Cal. Civ. Code § 56 et seq.;

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- California Parental Leave Law – Cal. Lab. Code § 230.7 et seq.;
- California Military Personnel Bias Law – Cal. Mil. & Vet. Code § 394;
- The California Occupational Safety and Health Act, as amended, and any applicable regulations thereunder;
- The California Consumer Credit Reporting Agencies Act – Cal. Civ. Code § 1785 et seq.
- California Investigative Consumer Reporting Agencies Act – Cal. Civ. Code § 1786 et seq.;
- Those provisions of the California Labor Code that lawfully may be released;
- Any other federal, state or local civil or human rights law or any other federal, state or local law, regulation or ordinance;
- Any public policy, contract, tort or common law; or
- Any basis for recovering costs, fees or other expenses including attorneys' fees incurred in these matters.

(b) **Claims Not Released.** Employee is not waiving any rights Employee may have to: (i) Employee's own vested accrued employee benefits under Employer's health, welfare, or retirement benefit plans as of the Separation Date; (ii) benefits or rights to seek benefits under applicable workers' compensation (except as to claims under Labor Code sections 132a and 4553) or unemployment insurance or indemnification statutes; (iii) pursue claims which by law cannot be waived by signing this Separation Agreement; (iv) enforce this Separation Agreement; or (v) challenge the validity of this Separation Agreement.

(c) **Government Agencies.** Nothing in this Separation Agreement prohibits, prevents, or otherwise limits Employee from filing a charge or complaint with or participating, testifying, or assisting in any investigation, hearing, or other proceeding before any federal, state, or local government agency (e.g., EEOC, NLRB, SEC CRD, DLSE,) or in any legislative or judicial proceeding nor does anything in this Separation Agreement preclude, prohibit, or otherwise limit, in any way, Employee's rights and abilities to contact, communicate with, or report unlawful conduct, or provide documents, to federal, state, or local officials for investigation or participate in any whistleblower program administered by any such agencies. In addition, nothing in this Separation Agreement, including, but not limited to, the release of claims nor the acknowledgements and affirmations, limited disclosure, and return of company property clauses, prohibits Employee from: (1) reporting possible violations of federal or other law or regulations, including any possible securities laws violations, to any governmental agency or entity, including but not limited to the U.S. Department of Justice, the U.S. Securities and Exchange Commission, the Commodity Futures Trading Commission, the U.S. Congress, or any

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agency Inspector General; (2) making any other disclosures that are protected under the whistleblower provisions of federal or other law or regulations; or (3) filing a charge or complaint or otherwise fully participating in any governmental whistleblower programs, including but not limited to any such programs managed or administered by the U.S. Securities and Exchange Commission, the Commodity Futures Trading Commission or the Occupational Safety and Health Administration. Employee is not required to notify or obtain permission from Employer when filing a governmental whistleblower charge or complaint or engaging or participating in protected whistleblower activity. Moreover, nothing in this Separation Agreement prohibits or prevents Employee from receiving individual monetary awards or other individual relief by virtue of participating in such governmental whistleblower programs.

(d) **Collective/Class Action Waiver.** If any claim is not subject to release, to the extent permitted by law, Employee waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective, or multi-party action or proceeding based on such a claim in which Employer, or any of the other Released Parties is a party.

6. **Waiver of California Civil Code section 1542.** To effect a full and complete general release as described above, Employee expressly waives and relinquishes all rights and benefits of section 1542 of the Civil Code of the State of California, and does so understanding and acknowledging the significance and consequence of specifically waiving section 1542. Section 1542 of the Civil Code of the State of California states as follows:

**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Employee expressly acknowledges this Separation Agreement is intended to include in its effect, without limitation, all claims Employee does not know or suspect to exist in Employee's favor at the time of signing this Separation Agreement, and that this Separation Agreement contemplates the extinguishment of any such claims. Employee warrants Employee has read this Separation Agreement, including this waiver of California Civil Code section 1542, and that Employee has consulted with or had the opportunity to consult with counsel of Employee's choosing about this Separation Agreement and specifically about the waiver of section 1542, and that Employee understands this Separation Agreement and the section 1542 waiver, and so Employee freely and knowingly enters into this Separation Agreement. Employee further acknowledges that Employee later may discover facts different from or in addition to those Employee now knows or believes to be true regarding the matters released or described in this Separation Agreement, and even so Employee agrees that the releases and agreements contained in this Separation Agreement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Employee

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expressly assumes any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Separation Agreement or with regard to any facts now unknown to Employee relating thereto.

**7. Acknowledgements and Affirmations.**

(a) Employee affirms that Employee has not filed or caused to be filed any claim, complaint, or action against any of the Released Parties in any forum or form, and that Employee presently is not a party to any claim, complaint, or action against any of the Released Parties in any forum or form. Nothing in this Separation Agreement or the acknowledgements and affirmations in this Section 7 is intended to impair Employee's rights under whistleblower laws or cause Employee to disclose Employee's participation in any governmental whistleblower program or any whistleblowing statute(s) or regulation(s) allowing for anonymity.

(b) Employee further affirms that Employee has been paid or has received all compensation, wages, bonuses, commissions, and benefits which are due and payable as of the date of execution of this Separation Agreement. Employee also affirms that Employee has submitted all expense reports in compliance with Employer's policies and procedures and been reimbursed for all expenses necessarily incurred by Employee in following Employer's directions or incurred in performing Employee's duties during Employee's employment with Employer.

(c) Employee further affirms that Employee has no known workplace injuries or occupational diseases, and that Employee has been granted or has not been denied any leave to which Employee was entitled under the Family and Medical Leave Act, the California Family Rights Act, or disability accommodation laws.

(d) Employee also affirms that Employee has not reported internally to Employer any allegations of wrongdoing by Employer or its officers, including, but not limited to, any allegations of corporate fraud, and Employee has not been retaliated against for reporting any such allegations internally to Employer.

(e) Employee also affirms that all of Employer's decisions regarding Employee's pay and benefits through the date of execution of this Separation Agreement were not discriminatory based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental or physical disability, medical condition, age, pregnancy, denial of medical and family care leave, pregnancy disability leave, or any other classification protected by law.

(f) Employee also affirms that Employee is not subject to any restrictive covenants that are prohibited by applicable Federal and State laws after Employee's Separation Date.

(g) Notably, per Paragraph 2.0 of the Employment Agreement, Employee will faithfully, industriously and to the best of Employee's ability, experience and

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talent perform all duties that may be required of and from Employee through the Separation Date.

(h) Employee agrees to execute an Addendum on or after Employee's Separation Date to reaffirm the general release of claims in Section 5, to reaffirm the waiver of California Civil Code section 1542 in Section 6, and to reaffirm the acknowledgments in Section 7(b) of the Separation Agreement.

8. **Limited Disclosure.** Employee confirms that prior to the execution of this Separation Agreement, Employee has not revealed its financial terms to any third parties. Employee agrees not to disclose any information regarding the substance or terms of this Separation Agreement, except to Employee's spouse, tax advisor, an attorney with whom Employee chooses to consult regarding Employee's consideration of this Separation Agreement or to any federal, state, or local government agency. This confidentiality restriction shall not be construed to limit Employee's rights under the National Labor Relations Act.

9. **Return of Company Property/Information; Pre-Existing Agreements**

(a) Within three (3) calendar days immediately following the Separation Date, Employee will return all of Employer's documents and property currently in Employee's possession including, but without limitation, any and all services work, notes, reports, files, memoranda, records, cardkey passes, door and file keys, safe combinations, laptop computer, monitors, computer-related equipment, computer access codes, disks and instructional or personnel manuals, and other physical or personal property that Employee received or prepared or helped to prepare in connection with Employee's employment with Employer ("Company Property").

(b) Employee acknowledges and agrees that in the course of Employee's employment with Employer, Employee has acquired: (i) confidential information including without limitation information received by Employer from third-parties, under confidential conditions; (ii) other technical, product, business, financial, or development information from Employer, the use or disclosure of which reasonably might be construed to be contrary to the interest of Employer; or (iii) any other proprietary information or data, including but not limited to customer lists and trade secrets, which Employee may have acquired during Employee's employment (hereafter collectively referred to as "Company Information"). Employee understands and agrees that such Company Information was disclosed to Employee in confidence and for use only by Employer.

(c) Employee affirms that Employee has not divulged any proprietary or confidential information of Employer to any third party as of Employee's execution of this Separation Agreement and has not misused any such proprietary or confidential information. Employee also understands and agrees that Employee: (i) will continue to keep such Company Information confidential at all times, (ii) will not disclose or communicate Company Information to any third-party, and (iii) will not make use of Company Information on Employee's own

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behalf, or on behalf of any third-party. Under the federal Defend Trade Secrets Act of 2016, Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made to Employee's attorney in relation to a lawsuit against Employer for retaliation against Employee for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(d) In view of the nature of Employee's employment and the nature of Company Information Employee received during the course of Employee's employment, Employee agrees that any unauthorized disclosure to third-parties of Company Information or other violation, or threatened violation, of this Separation Agreement would cause irreparable damage to the confidential or trade secret status of Company Information and to Employer, and that, therefore, Employer, and each person constituting Employer hereunder, shall be entitled to an injunction prohibiting Employee from any such disclosure, attempted disclosure, violation, or threatened violation.

(e) The Parties acknowledge and agree that the terms and conditions set forth in the "Arbitration Agreement - California" signed by Employee on April 5, 2022, and Paragraph 11.0 Confidential Information and Company Property of the "Employment Agreement" signed by Employee on April 5, 2022, shall in no way be altered, modified, enhanced, diminished, or amended by this Separation Agreement, and that the "Arbitration Agreement - California" and Paragraph 11.0 Confidential Information and Company Property of the "Employment Agreement" stand alone, operate individually, and shall be enforced separately without reference to or effect by the Separation Agreement.

(f) The undertakings set forth in this Section 9 shall survive the termination of this Separation Agreement or other arrangements contained in this Separation Agreement.

(g) Employee also affirms that Employee is in possession of all of Employee's property that Employee had at Employer's premises and that Employer is not in possession of any of Employee's property.

10. **Non-Acknowledgment of Wrongdoing.** The Parties agree that neither this Separation Agreement nor the furnishing of the consideration for this Separation Agreement shall be deemed or construed at any time for any purpose as an admission by the Released Parties of wrongdoing or evidence of any liability or unlawful conduct of any kind.

11. **Job References.** Employee shall direct all individuals inquiring about Employee's employment with Employer to Employer's Professional Employer Organization, Sterling, which will follow Employer's policy by responding with only Employee's last position and dates of employment, except that this provision shall not apply to any request from a

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prospective employer who provides a release signed by Employee pursuant to the Fair Credit Reporting Act or any state counterpart.

**12. Consideration and Revocation Periods – Notice**

(a) Employee acknowledges that Employee already has attained the age of forty (40) and understands that this is a full release of all existing claims whether currently known or unknown including, but not limited to, claims for age discrimination under the Age Discrimination in Employment Act.

(b) Employee further acknowledges that Employee has been advised to consult with an attorney of Employee's own choosing before signing this Separation Agreement, in which Employee waives important rights, including those under the Age Discrimination in Employment Act.

(c) By executing this Separation Agreement, Employee also acknowledges that Employee has been afforded up to twenty-one (21) calendar days to consider the meaning and effect of this Separation Agreement and to discuss the contents and meaning of this Separation Agreement, as well as the alternatives to signing this Separation Agreement, with an attorney of Employee's choosing, and has done so. Employee agrees that the twenty-one (21) day consideration period began on the date this Separation Agreement first was delivered to Employee and that if Employer changes any of the terms of the offer contained in this Separation Agreement (whether the changes are material or not), the twenty-one (21) day consideration period shall not be restarted but shall continue without interruption.

(d) Employee understands that the releases contained in this Separation Agreement do not extend to any rights or claims that Employee has under the Age Discrimination in Employment Act that first arise after execution of this Separation Agreement.

(e) If Employee signs this Separation Agreement before the twenty- one (21) day consideration period expires, the seven (7) day revocation period (described in Section 12(f) below) immediately shall begin. If Employee signs this Separation Agreement before the twenty-one (21) day consideration period expires, Employee agrees that Employee knowingly and voluntarily has accepted the shortening of the twenty-one (21) day consideration period and that Employer has not promised Employee anything or made any representations that are not contained in this Separation Agreement. In addition, if Employee signs this Separation Agreement before the twenty-one (21) day consideration period expires, Employee acknowledges and affirms that Employer has not threatened to withdraw or alter the offer contained in this Separation Agreement prior to the expiration of the twenty-one (21) day consideration period.

(f) Employee may revoke this Separation Agreement for a period of seven (7) calendar days following the date Employee executes this Separation Agreement. Any revocation during this period must be submitted in writing and state, "I hereby revoke my

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acceptance of our Separation Agreement and General Release of All Claims." The revocation must be done per one of the following two options ("Options"): (1) personally delivered to Colin McDonald, CHRO by 4:00 p.m. EST on the seventh day; or (2) emailed to Colin McDonald, CHRO, at [CMcDonald@crosscountry.com](mailto:CMcDonald@crosscountry.com) by 4:00 p.m. EST on the seventh day and also mailed to Colin McDonald, CHRO, at 6551 Park of Commerce Blvd., Boca Raton, FL and postmarked within seven (7) calendar days after Employee's execution of this Separation Agreement. The foregoing notwithstanding, this Separation Agreement shall not become effective and enforceable until the seven (7) day revocation period has expired per the Options described herein.

**13. Liens and Attorneys' Fees/Indemnification.**

(a) Employee acknowledges that Employee solely is responsible for any liens made in connection with any services performed on Employee's behalf by any attorney or other third-parties.

(b) Employee acknowledges and agrees that Employee will indemnify the Released Parties for any and all costs any of them incur as a result of any claims made by any attorneys or other third-parties to recover monies from the amounts payable to Employee under this Separation Agreement.

**14. Governing Law and Interpretation.**

(a) This Separation Agreement shall be governed and conformed in accordance with the laws of the State of California provided, however, that parol evidence shall not be admissible to alter, vary, or supplement the term of this Separation Agreement. Should any provision of this Separation Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision immediately shall become null and void, leaving the remainder of this Separation Agreement in full force and effect.

(b) In the event of a breach of any provision of this Separation Agreement, any Party may institute an action specifically to enforce any term or terms of this Separation Agreement or seek damages for breach. However, the Party instituting such an action must take steps to file this Separation Agreement or any documents setting forth the terms of this Separation Agreement with the court under seal. In an action to enforce any term or terms of this Separation Agreement or to seek damages for breach of this Separation Agreement, the prevailing party in that action shall be entitled to recover reasonable attorney's fees.

15. **Amendment.** This Separation Agreement may not be modified, altered, or changed except in writing and signed by both Parties wherein specific reference is made to this Separation Agreement.

16. **Non-Disparagement.** Employee agrees to refrain from making statements that are maliciously disparaging or defamatory about the Company or the Released Parties,

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including but not limited to, the CEO, CFO, General Counsel, CHRO, CMO, CIO, all other senior executive leaders and all members of the Company's, or the Released Parties' customers, suppliers, or vendors, including but not limited to, communications on social media websites such as Facebook, Twitter, LinkedIn, or Glassdoor on blogs, by text or email or other electronic means. Nothing in this Agreement prevents Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful.

17. **Miscellaneous.**

(a) This Separation Agreement may be signed in counterparts, both of which shall be deemed an original, but both of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically mailed copy of the Separation Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature.

(b) The section headings used in this Separation Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify, or otherwise be used in the interpretation of any of the provisions hereof.

(c) This Separation Agreement was the result of negotiations between the Parties. In the event of vagueness, ambiguity, or uncertainty, this Separation Agreement shall not be construed against the Party preparing it, but shall be construed as if both Parties prepared it jointly.

(d) If Employee or Employer fails to enforce this Separation Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Separation Agreement. The Separation Agreement remains in full force and effect anyway.

1. **Entire Agreement.** This Separation Agreement sets forth the entire agreement between the Parties, and fully supersedes any prior agreements or understandings between the Parties, except those specifically identified in Section 9(e), which are incorporated herein by reference. Employee acknowledges that Employee has not relied on any representations, promises, or agreements of any kind made to Employee in connection with Employee's decision to accept this Separation Agreement, except for those set forth in this Separation Agreement.

**EMPLOYEE UNDERSTANDS AND ACKNOWLEDGES THAT EMPLOYEE HAS UP TO TWENTY-ONE (21) CALENDAR DAYS TO REVIEW THIS SEPARATION AGREEMENT PRIOR TO EXECUTION OF THIS SEPARATION AGREEMENT. EMPLOYEE FURTHER UNDERSTANDS AND ACKNOWLEDGES THAT ANY MODIFICATIONS, MATERIAL OR OTHERWISE, MADE TO THIS**

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**SEPARATION AGREEMENT DO NOT RESTART OR AFFECT IN ANY MANNER THE ORIGINAL TWENTY-ONE (21) CALENDAR DAY CONSIDERATION PERIOD.**

**HAVING ELECTED TO EXECUTE THIS SEPARATION AGREEMENT, TO FULFILL THE PROMISES AND TO RECEIVE THE CONSIDERATION SET FORTH IN SECTION 2 ABOVE, EMPLOYEE FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS SEPARATION AGREEMENT INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS EMPLOYEE HAS OR MIGHT HAVE AGAINST THE RELEASED PARTIES AS OF THE DATE OF EXECUTION OF THIS SEPARATION AGREEMENT.**

**IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Separation Agreement as of the date set forth below:**

Executed on 2/13/2024

/s/ Dan White  
DAN WHITE

CROSS COUNTRY STAFFING, INC. D/B/A  
CROSS COUNTRY HEALTHCARE SERVICES

Executed on 2/14/2024

/s/ Colin McDonald  
COLIN MCDONALD, PHR, SHRM-CP  
Chief Human Resources Officer

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Addendum to the Confidential Separation Agreement and General Release of All Claims Between Cross Country Staffing, Inc. d/b/a Cross Country Healthcare Services And Dan White

This Addendum ("Addendum") is made to Confidential Separation Agreement and General Release of All Claims ("Separation Agreement") entered into between **Dan White** ("Employee") and **Cross Country Staffing, Inc. d/b/a Cross Country Healthcare Services** ("Employer") on February 14, 2024, and is limited to the amendment/modification stated herein. The remainder of the Separation Agreement shall remain in full force and effect with no changes other than what is stated herein. This Addendum shall not affect any release or waiver contained in the Separation Agreement and is not subject to any revocation period. The term "Party" or "Parties" as used herein shall refer to Employee, Employer or both, as may be appropriate. Pursuant to the Severance Agreement which resulted from the elimination of Employee's position and separation from the Company as part of a restructuring, this addendum shall be signed on or after the Separation Date as defined in the Separation Agreement.

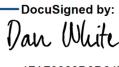
1. As of the Separation Date, Employee reaffirms and agrees to the general release of claims as described in Section 5 of the Separation Agreement.
2. As of the Separation Date, Employee reaffirms and agrees to the waiver of California Civil Code section 1542 as described in Section 6 of the Separation Agreement.
3. As of the Separation Date, Employee affirms that Employee has been paid or has received all compensation, wages, bonuses, commissions, and benefits which are due and payable as of the Separation Date. Employee also affirms that Employee has submitted all expense reports in compliance with Employer's policies and procedures and been reimbursed for all expenses necessarily incurred by Employee in following Employer's directions or incurred in performing Employee's duties during Employee's employment with Employer through the Separation Date.
4. Except as reflected in paragraphs 1 - 3 of this Addendum, Employee and Employer agree that all other provisions of the Separation Agreement remain unchanged.

**IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Addendum as of the date set forth below:**

Executed on March 31, 2024

Executed on March 31, 2024

CROSS COUNTRY STAFFING, INC. D/B/A CROSS COUNTRY HEALTHCARE SERVICES

DocuSigned by:  
  
Dan White  
4FA70068D0D6470...

By: DAN WHITE  
3/31/2024

DocuSigned by:  
  
Colin McDonald  
762813B5BE964D0...

By:\_\_ COLIN MCDONALD, PHR, SHRM-CP  
Chief Human Resources Officer

**Certification**

I, John A. Martins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cross Country Healthcare, 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 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: May 2, 2024

/s/ John A. Martins

John A. Martins  
President & Chief Executive Officer  
(Principal Executive Officer)

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**Certification**

I, William J. Burns, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cross Country Healthcare, 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 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: May 2, 2024

/s/ William J. Burns

William J. Burns  
Executive Vice President & Chief Financial Officer (Principal Financial Officer)

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**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the accompanying Quarterly Report on Form 10-Q of Cross Country Healthcare, Inc. (the Company) for the quarterly period ended March 31, 2024, (the "Periodic Report"), I, John A. Martins, President and Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Periodic Report 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 Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2024

/s/ John A. Martins

John A. Martins  
President & Chief Executive Officer  
(Principal Executive Officer)

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 Cross Country Healthcare, Inc. and will be retained by Cross Country Healthcare, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act of 2002.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the accompanying Quarterly Report on Form 10-Q of Cross Country Healthcare, Inc. (the "Company") for the quarterly period ended March 31, 2024, (the "Periodic Report"), I, William J. Burns, Executive Vice President and Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Periodic Report 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 Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2024

/s/ William J. Burns

William J. Burns  
Executive Vice President & Chief Financial Officer (Principal Financial Officer)

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 Cross Country Healthcare, Inc. and will be retained by Cross Country Healthcare, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act of 2002.