UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 July 28, 2019

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to .

Commission File Number: 001-09232

VOLT INFORMATION SCIENCES, INC.

(Exact name of registrant as specified in its charter)

New York	**13-5658129**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
50 Charles Lindbergh Boulevard, Uniondale, New York	**11553**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code:
(516) 228-6700

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.10	VISI	NYSE American

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of August 30, 2019, there were 21,366,111 shares of common stock outstanding.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)
(unaudited)

	Three Months Ended		Nine Months Ended	
	July 28, 2019	**July 29, 2018**	**July 28, 2019**	**July 29, 2018**
NET REVENUE	$ 233,176	$ 257,808	$ 738,682	$ 774,365
Cost of services	197,528	221,448	629,078	664,695
GROSS MARGIN	**35,648**	**36,360**	**109,604**	**109,670**
EXPENSES				
Selling, administrative and other operating costs	38,395	42,222	117,144	132,076
Restructuring and severance costs	2,017	3,108	2,800	3,730
Impairment charges	79	—	426	155
OPERATING LOSS	**(4,843)**	**(8,970)**	**(10,766)**	**(26,291)**
OTHER INCOME (EXPENSE), NET				
Interest income (expense), net	(714)	(552)	(2,159)	(1,965)
Foreign exchange gain (loss), net	(151)	(294)	(252)	(88)
Other income (expense), net	(184)	(296)	(589)	(879)
TOTAL OTHER INCOME (EXPENSE), NET	**(1,049)**	**(1,142)**	**(3,000)**	**(2,932)**
LOSS BEFORE INCOME TAXES	**(5,892)**	**(10,112)**	**(13,766)**	**(29,223)**
Income tax provision	165	1,306	671	576
NET LOSS	**$ (6,057)**	**$ (11,418)**	**$ (14,437)**	**$ (29,799)**
PER SHARE DATA:				
Basic:				
Net loss	$ (0.29)	$ (0.54)	$ (0.68)	$ (1.42)
Weighted average number of shares	21,157	21,071	21,106	21,044
Diluted:				
Net loss	$ (0.29)	$ (0.54)	$ (0.68)	$ (1.42)
Weighted average number of shares	21,157	21,071	21,106	21,044

See accompanying Notes to Condensed Consolidated Financial Statements.

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Loss
(In thousands)
(unaudited)

	Three Months Ended		Nine Months Ended	
	July 28, 2019	**July 29, 2018**	**July 28, 2019**	**July 29, 2018**
NET LOSS	**$ (6,057)**	**$ (11,418)**	**$ (14,437)**	**$ (29,799)**
Other comprehensive income (loss):				
Foreign currency translation adjustments net of taxes of $0 and $0, respectively	(565)	(921)	(586)	(464)
COMPREHENSIVE LOSS	**$ (6,622)**	**$ (12,339)**	**$ (15,023)**	**$ (30,263)**

See accompanying Notes to Condensed Consolidated Financial Statements.

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In thousands, except share amounts)

	July 28, 2019 (unaudited)	October 28, 2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 36,031	$ 24,763
Restricted cash and short-term investments	11,000	14,844
Trade accounts receivable, net of allowances of $132 and $759, respectively	135,838	157,445
Other current assets	6,706	7,444
TOTAL CURRENT ASSETS	**189,575**	**204,496**
Other assets, excluding current portion	7,579	7,808
Property, equipment and software, net	25,209	24,392
TOTAL ASSETS	**$ 222,363**	**$ 236,696**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accrued compensation	$ 22,675	$ 27,120
Accounts payable	34,521	33,498
Accrued taxes other than income taxes	13,854	15,275
Accrued insurance and other	27,472	23,335
Income taxes payable	692	1,097
TOTAL CURRENT LIABILITIES	**99,214**	**100,325**
Accrued insurance and other, excluding current portion	11,750	13,478
Deferred gain on sale of real estate, excluding current portion	20,758	22,216
Income taxes payable, excluding current portion	612	600
Deferred income taxes	508	510
Long-term debt	53,848	49,068
TOTAL LIABILITIES	**186,690**	**186,197**
Commitments and contingencies		
STOCKHOLDERS' EQUITY:		
Preferred stock, par value $1.00; Authorized - 500,000 shares; Issued - none	—	—
Common stock, par value $0.10; Authorized - 120,000,000 shares; Issued - 23,738,003 shares; Outstanding - 21,366,111 shares and 21,179,068 shares, respectively	2,374	2,374
Paid-in capital	77,283	79,057
(Accumulated deficit) retained earnings	(10,126)	9,738
Accumulated other comprehensive loss	(7,656)	(7,070)
Treasury stock, at cost; 2,371,892 and 2,558,935 shares, respectively	(26,202)	(33,600)
TOTAL STOCKHOLDERS' EQUITY	**35,673**	**50,499**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 222,363**	**$ 236,696**

See accompanying Notes to Condensed Consolidated Financial Statements.

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Equity
(In thousands, except number of share data)
(unaudited)

	Nine Months Ended July 28, 2019						
	Common Stock $0.10 Par Value						
	Shares	Amount	Paid-in Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
BALANCE AT OCTOBER 28, 2018	**23,738,003**	**$ 2,374**	**$ 79,057**	**$ 9,738**	**$ (7,070)**	**$ (33,600)**	**$ 50,499**
Net loss	—	—	—	(3,215)	—	—	(3,215)
Share-based compensation	—	—	(113)	—	—	—	(113)
Issuance of common stock	—	—	(35)	(206)	—	241	—
Effect of new accounting principle	—	—	—	426	—	—	426
Other comprehensive income	—	—	—	—	158	—	158
BALANCE AT JANUARY 27, 2019	**23,738,003**	**$ 2,374**	**$ 78,909**	**$ 6,743**	**$ (6,912)**	**$ (33,359)**	**$ 47,755**
Net loss	—	—	—	(5,165)	—	—	(5,165)
Share-based compensation	—	—	(95)	—	—	—	(95)
Issuance of common stock	—	—	(883)	(2,234)	—	3,077	(40)
Other comprehensive loss	—	—	—	—	(179)	—	(179)
BALANCE AT APRIL 28, 2019	**23,738,003**	**$ 2,374**	**$ 77,931**	**$ (656)**	**$ (7,091)**	**$ (30,282)**	**$ 42,276**
Net loss	—	—	—	(6,057)	—	—	(6,057)
Share-based compensation	—	—	294	—	—	—	294
Issuance of common stock	—	—	(942)	(3,413)	—	4,080	(275)
Other comprehensive loss	—	—	—	—	(565)	—	(565)
BALANCE AT JULY 28, 2019	**23,738,003**	**$ 2,374**	**$ 77,283**	**$ (10,126)**	**$ (7,656)**	**$ (26,202)**	**$ 35,673**

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Equity
(In thousands, except number of share data)
(unaudited)

	Nine Months Ended July 29, 2018												
	Common Stock $0.10 Par Value												
	Shares		Amount		Paid-in Capital		(Accumulated Deficit) Retained Earnings		Accumulated Other Comprehensive Income (Loss)		Treasury Stock		Total Stockholders' Equity
BALANCE AT OCTOBER 29, 2017	**23,738,003**	**$**	**2,374**	**$**	**78,645**	**$**	**45,843**	**$**	**(5,261)**	**$**	**(37,607)**	**$**	**83,994**
Net loss	—		—		—		(10,694)		—		—		(10,694)
Share-based compensation	—		—		435		—		—		—		435
Issuance of common stock	—		—		(10)		(40)		—		50		—
Other comprehensive income	—		—		—		—		1,404		—		1,404
BALANCE AT JANUARY 28, 2018	**23,738,003**	**$**	**2,374**	**$**	**79,070**	**$**	**35,109**	**$**	**(3,857)**	**$**	**(37,557)**	**$**	**75,139**
Net loss	—		—		—		(7,687)		—		—		(7,687)
Share-based compensation	—		—		557		—		—		—		557
Issuance of common stock	—		—		(80)		(119)		—		139		(60)
Other comprehensive loss	—		—		—		—		(947)		—		(947)
BALANCE AT APRIL 29, 2018	**23,738,003**	**$**	**2,374**	**$**	**79,547**	**$**	**27,303**	**$**	**(4,804)**	**$**	**(37,418)**	**$**	**67,002**
Net loss	—		—		—		(11,418)		—		—		(11,418)
Share-based compensation	—		—		(475)		—		—		—		(475)
Issuance of common stock	—		—		(764)		(3,249)		—		3,804		(209)
Other comprehensive loss	—		—		—		—		(921)		—		(921)
BALANCE AT JULY 29, 2018	**23,738,003**	**$**	**2,374**	**$**	**78,308**	**$**	**12,636**	**$**	**(5,725)**	**$**	**(33,614)**	**$**	**53,979**

See accompanying Notes to Condensed Consolidated Financial Statements.

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(In thousands)
(unaudited)

	Nine Months Ended	
	July 28, 2019	July 29, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (14,437)	$ (29,799)
Adjustment to reconcile net loss to cash provided by (used in) operating activities:		
Depreciation and amortization	5,127	5,515
Release of doubtful accounts and sales allowances	(185)	(181)
Unrealized foreign currency exchange (gain) loss	(133)	194
Impairment charges	426	155
Amortization of gain on sale leaseback of property	(1,458)	(1,458)
Loss (gain) on dispositions of property, equipment and software	13	—
Share-based compensation	86	517
Change in operating assets and liabilities:		
Trade accounts receivable	22,624	21,218
Other assets	895	3,956
Accounts payable	1,104	(8,330)
Accrued expenses and other liabilities	(3,583)	(3,086)
Income taxes	(318)	1,274
Net cash provided by (used in) operating activities	**10,161**	**(10,025)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales of investments	213	608
Purchases of investments	(178)	(375)
Proceeds from sale of property, equipment, and software	43	—
Purchases of property, equipment, and software	(6,305)	(2,332)
Net cash used in investing activities	**(6,227)**	**(2,099)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(20,000)	(119,696)
Draw-down on borrowings	25,000	119,696
Debt issuance costs	(621)	(1,415)
Withholding tax payment on vesting of stock awards	(316)	(269)
Net cash provided by (used in) financing activities	**4,063**	**(1,684)**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**(633)**	**(817)**
Net increase (decrease) in cash, cash equivalents and restricted cash	**7,364**	**(14,625)**
Cash, cash equivalents and restricted cash, beginning of period	36,544	54,097
Cash, cash equivalents and restricted cash, end of period	**$ 43,908**	**$ 39,472**
Cash paid during the period:		
Interest	$ 2,367	$ 2,084
Income taxes	$ 1,174	$ 2,483
Reconciliation of cash, cash equivalents, and restricted cash:		
Current assets:		
Cash and cash equivalents	$ 36,031	$ 29,929
Restricted cash included in Restricted cash and short-term investments	7,877	9,543
Cash, cash equivalents and restricted cash, end of period	**$ 43,908**	**$ 39,472**

See accompanying Notes to Condensed Consolidated Financial Statements.

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
For the Fiscal Periods Ended July 28, 2019 and July 29, 2018
(Unaudited)

NOTE 1: Basis of Presentation

Basis of Presentation

The accompanying interim condensed consolidated financial statements of Volt Information Sciences, Inc. ("Volt" or the "Company") have been prepared in conformity with generally accepted accounting principles, consistent in all material respects with those applied in the Annual Report on Form 10-K for the year ended October 28, 2018. The Company makes estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates and changes in estimates are reflected in the period in which they become known. Accounting for certain expenses, including income taxes, is based on full year assumptions, and the financial statements reflect all normal adjustments that, in the opinion of management, are necessary for fair presentation of the interim periods presented. The interim information is unaudited and is prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission (the "SEC"), which provides for omission of certain information and footnote disclosures. This interim financial information should be read in conjunction with the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended October 28, 2018.

Certain reclassifications have been made to the prior year financial statements in order to conform to the current year's presentation.

NOTE 2: Recently Issued Accounting Pronouncements

New Accounting Standards Not Yet Adopted by the Company

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-13,*Fair Value Measurement: Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"), which changes the fair value measurement disclosure requirements of Accounting Standards Codification ("ASC") 820. ASU 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019, including interim periods therein. Early adoption is permitted for any eliminated or modified disclosures upon issuance of ASU 2018-13. ASU 2018-13 is effective for the Company in the first quarter of fiscal 2021. The Company does not anticipate a significant impact upon adoption.

In June 2018, the FASB issued ASU 2018-07, *Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*("ASU 2018-07"). ASU 2018-07 expands the guidance in Topic 718 to include share-based payments for goods and services to non-employees and generally aligns it with the guidance for share-based payments to employees. The amendments are effective for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year, which for the Company will be the first quarter of fiscal 2020. The Company does not anticipate a significant impact upon adoption.

In June 2016, the FASB issued ASU 2016-13,*Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*("ASU 2016-13"). This ASU provides guidance for recognizing credit losses on financial instruments based on an estimate of current expected credit losses model. In April 2019, ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments,* was issued to clarify and address certain items related to the amendments in ASU 2016-13. In May 2019, ASU 2019-05, *Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief*, was issued to provide entities that have certain instruments within the scope of ASC 326 with an option to irrevocably elect the fair value option under ASC 825-10, *Financial Instruments - Overall*, applied on an instrument-by-instrument basis for eligible instruments. The amendments are effective for fiscal years beginning after December 15, 2019, which for the Company will be the first quarter of fiscal 2021. Although the impact upon adoption will depend on the financial instruments held by the Company at that time, the Company does not anticipate a significant impact on its consolidated financial statements based on the instruments currently held and its historical trend of bad debt expense relating to trade accounts receivable.

In February 2016, the FASB issued ASU 2016-02,*Leases (Topic 842)* ("ASU 2016-02"). This ASU requires that lessees recognize assets and liabilities for leases with lease terms greater than twelve months in the statement of financial position and also requires improved disclosures to help users of financial statements better understand the amount, timing and uncertainty of cash flows arising from leases. The amendments are effective for fiscal years beginning after December 15, 2018, which for the Company will be the first quarter of fiscal 2020. The Company has preliminarily evaluated the impact of the pending adoption of ASU 2016-02 on its consolidated financial statements on a modified retrospective basis, and currently expects that most of its operating lease commitments will be subject to the new standard and recognized as operating lease liabilities and right-of-use assets upon adoption, which will increase the Company's total assets and total liabilities that the Company reports relative to such amounts prior to adoption. In addition, the Company's deferred gain on the sale of real estate in the amount of $22.0 million will be recognized as a cumulative-effect adjustment to equity upon adoption. This gain is currently being amortized at approximately$0.5 million a quarter as an offset to rent expense in the Condensed Consolidated Statements of Operations and is included as an adjustment to reconcile net loss to cash provided by operating activities in the Condensed Consolidated Statements of Cash Flows.

Management has evaluated other recently issued accounting pronouncements and does not believe that any of these pronouncements will have a significant impact on the Company's consolidated financial statements and related disclosures.

Recently Adopted by the Company

In August 2018, the FASB issued ASU 2018-15, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract* ("ASU 2018-15"), which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). ASU 2018-15 is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. Early adoption of the amendments is permitted including adoption in any interim period. The amendments in ASU 2018-15 should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. The Company early adopted this standard on a prospective basis in the second quarter of fiscal 2019. Adoption of this standard did not have a significant impact on the Company's consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09,*Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting*. This ASU provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting. An entity would not apply modification accounting if the fair value, vesting conditions, and classification of the awards are the same immediately before and after the modification. The Company adopted this ASU in the first quarter of fiscal 2019, resulting in no significant impact on the Company's consolidated financial statements.

In February 2017, the FASB issued ASU 2017-05,*Other Income - Gains and Losses from the Derecognition of Non-financial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Non-financial Assets.* This ASU clarifies the scope and application of Subtopic 610-20 on the sale or transfer of non-financial assets and in substance non-financial assets to non-customers, including partial sales. The Company adopted this ASU in the first quarter of fiscal 2019, resulting in no significant impact on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18,*Statement of Cash Flows (Topic 230): Restricted Cash*. This ASU clarifies how entities should present restricted cash and restricted cash equivalents in the statement of cash flows and requires the entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. The Company adopted this ASU retrospectively in the first quarter of fiscal 2019, resulting in no significant impact on the Company's consolidated financial statements besides a change in the presentation of restricted cash on the Condensed Consolidated Statements of Cash Flows.

In August 2016, the FASB issued ASU 2016-15,*Statement of Cash Flows (Topic 230) - Classification of Certain Cash Receipts and Cash Payments: A Consensus of the FASB Emerging Issues Task Force*. The amendments provide guidance on eight specific cash flow classification issues: debt prepayment or debt extinguishment costs, settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, corporate and bank-owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions and separately identifiable cash flows and application of the predominance principle. The Company adopted this ASU in the first quarter of fiscal 2019, resulting in no significant impact on the Company's consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09,*Revenue from Contracts with Customers (Topic 606).* The core principle of this amendment is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The FASB issued subsequent amendments to improve and clarify the implementation guidance of Topic 606. This standard was adopted by the Company in the first quarter of fiscal 2019. Please refer to Note 3. Revenue Recognition for additional disclosures.

All other ASUs that became effective for Volt in the first nine months of fiscal 2019 were not applicable to the Company at this time and therefore, did not have any impact during the period.

NOTE 3: Revenue Recognition

Adoption of ASU 2014-09, *Revenue from Contracts with Customers ("Topic 606")*

As of October 29, 2018, the Company adopted ASU 2014-09,*Revenue from Contracts with Customers*, using the modified retrospective method applied to those contracts which were not completed as of October 29, 2018. Results for reporting periods beginning on October 29, 2018 are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with historic accounting guidance.

The cumulative impact of adopting ASC 606 resulted in an increase of$0.4 million to opening retained earnings. The impact is primarily driven by an adjustment to deferred revenue due to a change in the required criteria for defining customer contracts under the new guidance. As of and for the three and nine months ended July 28, 2019, the consolidated financial statements were not materially impacted by the implementation of ASC 606.

Revenue Recognition

All of the Company's revenue and trade receivables are generated from contracts with customers. Revenue is recognized when control of the promised services is transferred to the Company's customers at an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. The Company's revenue is recorded net of any sales or other similar taxes collected from its customers.

A performance obligation is a promise in a contract to transfer a distinct service to the customer. The majority of the Company's contracts contain single performance obligations. For performance obligations that the Company satisfies over time, revenue is recognized by consistently applying a method of measuring progress toward satisfaction of that performance obligation. The Company will generally utilize an input measure of time (e.g., hours, weeks, months) of service provided, which depicts the progress toward completion of each performance obligation.

Volt generally determines the standalone selling prices based on the prices included in the customer contracts. The price as specified in its customer contracts is typically considered the standalone selling price as it is an observable input that depicts the price as if sold to a similar customer. Certain customer contracts have variable consideration, including rebates, guarantees, credits, or other similar items that reduce the transaction price. The Company will generally estimate the variable consideration using the expected value method to predict the amount of consideration to which it will become entitled, based on the circumstances of each customer contract and historical evidence. Revenue is recognized net of variable consideration to the extent that it is probable that a significant future reversal will not occur. The Company's estimated amounts of variable consideration are not material and it does not believe that there will be significant changes to its estimates.

In certain scenarios where a third-party vendor is involved in the Company's revenue transactions with its customers, the Company will evaluate whether it is the principal or the agent in the transaction. When Volt acts as the principal, it controls the performance obligation prior to transfer of the service to the customer and reports the related consideration as gross revenues and the costs as cost of services. When Volt acts as an agent, it does not control the performance obligation prior to transfer of the service to the customer and it reports the related amounts as revenue on a net basis. The Company generally demonstrates control over the service when it is responsible for the fulfillment of services under the contract, responsible for the workers performing the service and when it has latitude in establishing pricing. Volt generally acts as an agent in its transactions within its MSP programs where the Company provides comprehensive management of its customer's contingent workforce and receive fees based on the volume of services managed within each program. The Company is the agent in these transactions since it does not have the responsibility for the fulfillment of the services by the vendors or contractors (referred to as associate vendors). In these transactions, the Company does not control the third-party providers' staffing services provided to the customers prior to those services being transferred to the customer.

Revenue Service Types

Staffing Services
Volt's primary service is providing contingent (temporary) workers to its customers. These services are primarily provided through direct agreements with customers, and Volt provides these services using its employees and, in some cases, by subcontracting with other vendors of contingent workers. Volt's costs in providing these services consist of the wages and benefits provided to the contingent workers as well as the recruiting costs, payroll department costs and other administrative costs. The Company recognizes revenue for its contingent staffing services over time as services are performed in an amount that reflects the consideration it expects to be entitled to in exchange for its services, which is generally calculated as hours worked multiplied by the agreed-upon hourly bill rate. The customer simultaneously receives and consumes the benefits of the services as they are provided. The Company applies the practical expedient to recognize revenue for these services over the term of the agreement commensurate to the amount it has the right to invoice the customer.

Direct Placement Services
Direct placement services include providing qualified candidates to the Company's customers to hire on a permanent basis. These services are primarily recognized at a point in time when the qualified candidate is placed and begins permanent employment which is the point when control has transferred to the customer and the Company has the right to payment for the service. Each placement is a single performance obligation under the Company's contracts and the related consideration is typically based upon a percentage of the

candidates' base salary. Direct placement revenue is recognized net of a reserve for permanent placement candidates that do not remain with the customer through the contingency period, which is typically 60 days or less. This contingency is estimated based on historical data and recorded as a refund liability.

Managed Service Programs ("MSP")
The Company's MSP programs provide comprehensive solutions for delivery of contingent labor for assignment to customers, including supplier and worker sourcing, selecting, qualifying, on/off-boarding, time and expense recordation, reporting and approved invoicing and payment processing procedures. Since the individual activities are not distinct, the Company accounts for these activities as a single performance obligation. The Company's fee for these MSP services is a fixed percentage of the staffing services spend that is managed through the program. The Company recognizes revenue over time for each month of MSP services provided as the customer simultaneously receives and consumes the services it provides. The Company applies the practical expedient to recognize revenue for these services over the term of the agreement commensurate to the amount it has the right to invoice the customer.

Call Center Services
The customer care solutions business specializes in serving as an extension of its customers' relationships and processes, from help desk inquiries to advanced technical support. The Company earns a fee based upon the type, volume and level of services provided as part of the call center operations. Since the individual activities are not distinct, the Company accounts for them as a single performance obligation. The Company recognizes revenue over time as the customer simultaneously receives and consumes the services it provides. The Company applies the practical expedient to recognize revenue for these services over the term of the agreement commensurate to the amount it has the right to invoice the customer.

Disaggregation of Revenues

The following table presents our segment revenues disaggregated by service type (in thousands):

	Three Months Ended July 28, 2019					
Segment	**Total**	**North American Staffing**	**International Staffing**	**North American MSP**	**Corporate and Other**	**Eliminations**
Service Revenues:						
Staffing Services	$ 223,754	$ 191,575	$ 26,704	$ 5,664	$ 194	$ (383)
Direct Placement Services	3,679	2,066	1,137	697	—	(221)
Managed Service Programs	4,081	—	887	3,194	—	—
Call Center Services	1,662	—	—	—	1,662	—
	$ 233,176	**$ 193,641**	**$ 28,728**	**$ 9,555**	**$ 1,856**	**$ (604)**
Geographical Markets:						
Domestic	$ 203,266	$ 192,704	$ —	$ 9,478	$ 1,662	$ (578)
International, principally Europe	29,910	937	28,728	77	194	(26)
	$ 233,176	**$ 193,641**	**$ 28,728**	**$ 9,555**	**$ 1,856**	**$ (604)**

	Nine Months Ended July 28, 2019					
Segment	Total	North American Staffing	International Staffing	North American MSP	Corporate and Other	Eliminations
Service Revenues:						
Staffing Services	$ 701,893	$ 607,980	$ 78,290	$ 16,049	$ 540	$ (966)
Direct Placement Services	10,633	6,380	3,179	2,073	—	(999)
Managed Service Programs	11,563	—	2,334	9,229	—	—
Call Center Services	14,593	—	—	—	14,593	—
	$ 738,682	**$ 614,360**	**$ 83,803**	**$ 27,351**	**$ 15,133**	**$ (1,965)**
Geographical Markets:						
Domestic	$ 651,566	$ 611,861	$ —	$ 27,009	$ 14,593	$ (1,897)
International, principally Europe	87,116	2,499	83,803	342	540	(68)
	$ 738,682	**$ 614,360**	**$ 83,803**	**$ 27,351**	**$ 15,133**	**$ (1,965)**

Payment Terms

Customer payment terms vary by arrangement although payments are typically due within 15 - 45 days of invoicing.The timing between the satisfaction of the performance obligations and the payment is not significant and the Company currently does not have any significant financing components or significant payment terms.

Unsatisfied Performance Obligations

The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which they will recognize revenue at the amount to which it has the right to invoice for services performed. Unsatisfied performance obligations for contracts not meeting the aforementioned criteria are immaterial.

Accounts Receivable, Contract Assets and Contract Liabilities

The Company records accounts receivable when its right to consideration becomes unconditional. As required under Topic 606, the Company changed its presentation to show this allowance as a liability, whereas under Topic 605, these accounts receivables were recorded net of an allowance. As of July 28, 2019, April 28, 2019, and January 27, 2019, the reserve balance was $0.4 million, $0.4 million, and $0.7 million respectively. Contract assets primarily relate to the Company's rights to consideration for services provided that are conditional on satisfaction of future performance obligations. The Company records contract liabilities when payments are made or due prior to the related performance obligations being satisfied. The current portion of contract liabilities is included in Accrued insurance and other in our Consolidated Balance Sheets. The Company does not have any material contract assets or long-term contract liabilities as of July 28, 2019 and October 28, 2018.

The Company may incur fulfillment costs after obtaining a contract to generate a resource that will be used to provide the MSP services. These costs are related to the set up and implementation of customer specific MSP programs and are considered incremental and recoverable costs to fulfill the Company's contract with the customer. These costs are deferred and amortized over the expected period of benefit of the MSP services provided to the customer, determined by taking into consideration its customer contracts and other relevant factors. Amortization expense is included in Selling, administrative and other operating costs on the Consolidated Statements of Operations. Deferred fulfillment costs were immaterial as of July 28, 2019.

NOTE 4: Accumulated Other Comprehensive Loss

The changes in accumulated other comprehensive loss for the three and nine months ended July 28, 2019 were (in thousands):

	Three Months Ended	Nine Months Ended
	July 28, 2019	
	Foreign Currency Translation	
Accumulated other comprehensive loss at beginning of the period	$ (7,091)	$ (7,070)
Other comprehensive loss	(565)	(586)
Accumulated other comprehensive loss at July 28, 2019	**$ (7,656)**	**$ (7,656)**

There were no reclassifications from accumulated other comprehensive loss for the three and nine months ended July 28, 2019 and July 29, 2018.

NOTE 5: Restricted Cash and Short-Term Investments

Restricted cash primarily includes amounts related to requirements under certain contracts with managed service program customers, for whom the Company manages the customers' contingent staffing requirements, including processing of associate vendor billings into single, combined customer billings and distribution of payments to associate vendors on behalf of customers, as well as minimum cash deposits required to be maintained as collateral. Distribution of payments to associate vendors is generally made shortly after receipt of payment from customers, with undistributed amounts included in restricted cash and accounts payable between receipt and distribution of these amounts, where contractually required. At July 28, 2019 and October 28, 2018, restricted cash included $7.4 million and $11.3 million, respectively, restricted for payment to associate vendors, and $0.5 million in both periods, respectively, restricted for other collateral accounts.

Short-term investments were $3.1 million at both July 28, 2019 and October 28, 2018. These short-term investments consisted primarily of the fair value of deferred compensation investments corresponding to employees' selections, primarily in mutual funds, based on quoted prices in active markets.

NOTE 6: Income Taxes

The income tax provision reflects the geographic mix of earnings in various federal, state and foreign tax jurisdictions and their applicable rates resulting in a composite effective tax rate. The Company's cumulative results for substantially all United States ("U.S.") and certain non-U.S. jurisdictions for the most recent three-year period is a loss. Accordingly, a valuation allowance has been established for substantially all loss carryforwards and other net deferred tax assets for these jurisdictions, resulting in an effective tax rate that is significantly different than the statutory rate.

The Company adjusts its effective tax rate for each quarter to be consistent with the estimated annual effective tax rate, consistent with ASC 270, *Interim Reporting*, and ASC 740-270, *Income Taxes – Intra Period Tax Allocation*. Jurisdictions with a projected loss for the full year where no tax benefit can be recognized are excluded from the calculation of the estimated annual effective tax rate. The Company's future effective tax rates could be affected by earnings being different than anticipated in countries with differing statutory rates, increases in recorded valuation allowances of tax assets, or changes in tax laws.

The Company's provision (benefit) for income taxes primarily includes foreign jurisdictions and state taxes. The income tax provision in the third quarter of fiscal 2019 and 2018 of $0.2 million and $1.3 million, respectively, were primarily related to locations outside of the United States. For the nine months ended July 28, 2019 and July 29, 2018, the income tax provision of $0.7 million and $0.6 million, respectively, were primarily related to locations outside of the United States. In addition, the income tax provision in the first nine months ended July 29, 2018 included the reversal of reserves on uncertain tax provisions that expired. The Company's quarterly provision (benefit) for income taxes is measured using an estimated annual effective tax rate, adjusted for discrete items that occur within the periods presented.

On December 22, 2017, the U.S. President signed the Tax Cuts and Jobs Act ("Tax Act") into law. The Tax Act includes a number of provisions, including the lowering of the U.S. corporate tax rate from 35.0% to 21.0%, and the establishment of a territorial-style system for taxing foreign-source income of domestic multinational corporations.

The Tax Act reduced the U.S. statutory tax rate from35.0% to 21.0% effective January 1, 2018. U.S. tax law required that taxpayers with a fiscal year that begins before and ends after the effective date of a rate change calculate a blended tax rate based on the pro-rata number of days in the fiscal year before and after the effective date. As a result, for the fiscal year ending October 28, 2018, the Company's statutory income tax rate was 23.4%. The Company's statutory rate is21.0% for the fiscal year ended November 3, 2019. Other provisions now effective under the Tax Act include limitations on deductibility of executive compensation and interest, as well as a new minimum tax on Global Intangible Low-Taxed Income ("GILTI"). The Company has analyzed these provisions and there will be no material impact due to the Company's net operating loss carry-forward and valuation allowance.

The Company did not record any change to its U.S. net deferred tax balances as of the enactment date since its U.S. net deferred tax assets are fully offset by a full valuation allowance. The Company reduced its net deferred tax assets and corresponding valuation allowance by approximately $26.8 million for the fiscal year ended October 28, 2018.

Under the Tax Act, the Company may be subject to a transition tax on the untaxed foreign earnings of its foreign subsidiaries by deeming those earnings to be repatriated ("Transition Tax"). Foreign earnings held in the form of cash and cash equivalents are taxed at a 15.5% rate and the remaining earnings are taxed at an8.0% rate. In calculating the Transition Tax, the Company must calculate the cumulative earnings and profits of each of the non-U.S. subsidiaries back to 1987. The Transition Tax did not have a material impact on the Company.

NOTE 7: Debt

The Company's primary sources of liquidity are cash flows from operations and proceeds from its financing arrangements. Both operating cash flows and borrowing capacity under the Company's financing arrangements are directly related to the levels of accounts receivable generated by its businesses. The Company's operating cash flows consist primarily of collections of customer receivables offset by payments for payroll and related items for the Company's contingent staff and in-house employees; federal, foreign, state and local taxes; and trade payables. The Company's level of borrowing capacity under its financing arrangements increases or decreases in tandem with any change in accounts receivable based on revenue fluctuations.

The Company manages its cash flow and related liquidity on a global basis. The weekly payroll payments inclusive of employment-related taxes and payments to vendors are approximately $20.0 million. The Company generally targets minimum global liquidity to be approximately1.5 times its average weekly requirements. The Company also maintains minimum effective cash balances in foreign operations and uses a multi-currency netting and overdraft facility for its European entities to further minimize overseas cash requirements.

On July 19, 2019, the Company amended and restated its long-term$115.0 million accounts receivable securitization program ("DZ Financing Program") with DZ Bank AG Deutsche Zentral Genossenschafsbank ("DZ Bank"), which was originally executed on January 25, 2018. The restated agreement allows for the inclusion of certain accounts receivable from originators in the United Kingdom, which adds an additional $5.0 - $7.0 million in borrowing availability. All other material terms and conditions of the original agreement remain substantially unchanged.

The DZ Financing Program is fully collateralized by certain receivables of the Company that are sold to a wholly-owned, consolidated, bankruptcy-remote subsidiary. To finance the purchase of such receivables, that subsidiary may request that DZ Bank make loans from time-to-time to that subsidiary which are secured by liens on those receivables.

On June 4, 2019, the Company entered into an amendment with DZ Bank to temporarily exclude the receivables due from a specific customer from the securitization pool under our DZ Financing Program for three subsequent reporting periods as of May 2019 through July 2019. This customer experienced internal processing issues related to specific Volt purchase orders resulting in significant payment delays, which negatively impacted the 90-Day Delinquency Rate, as defined in the DZ Financing Program. Although this change improved the delinquency rate, it temporarily decreased the Company's borrowing availability under the DZ Financing Program by approximately $2.0 - $3.0 million. These payment delays were not credit related and the Company collected a significant portion of the past due amounts in late June 2019. The issue was resolved and the receivables from this customer were added back to the securitization pool under the original terms of the agreement, as permitted under a provision in the amendment.

Loan advances may be made under the DZ Financing Program through January 25, 2021 and all loans will mature no later than July 25, 2021. Loans will accrue interest (i) with respect to loans that are funded through the issuance of commercial paper notes, at the commercial paper ("CP") rate, and (ii) otherwise, at a rate per annum equal to adjusted LIBOR. The CP rate will be based on the rates paid by the applicable lender on notes it issues to fund related loans. Adjusted LIBOR is based on LIBOR for the applicable interest period and the rate prescribed by the Board of Governors of the Federal Reserve System for determining the reserve requirements with respect to Eurocurrency funding. If an event of default occurs, all loans shall bear interest at a rate per annum equal to the prime rate (the federal funds rate plus 3%) plus 2.5%.

The DZ Financing Program also includes a letter of credit sub-facility with a sub-limit of $35.0 million. As of July 28, 2019, the letter of credit participation was $24.2 million inclusive of $22.8 million for the Company's casualty insurance program, $1.2 million for the security deposit required under certain real estate lease agreements and $0.2 million for the Company's corporate credit card program. In the first quarter of fiscal 2018, the Company used $30.0 million of funds available under the DZ Financing Program to temporarily collateralize the letters of credit, until the letters of credit were established with DZ Bank on January 31, 2018.

The DZ Financing Program contains customary representations and warranties as well as affirmative and negative covenants, with such covenants being less restrictive than those under the PNC Financing Program. The agreement also contains customary default, indemnification and termination provisions. The DZ Financing Program is not an off-balance sheet arrangement, as the bankruptcy-remote subsidiary is a 100%-owned consolidated subsidiary of the Company.

The Company is subject to certain financial and portfolio performance covenants under the DZ Financing Program, including (1) a minimum Tangible Net Worth (as defined under the DZ Financing Program) of at least $30.0 million through fiscal 2019, which will increase to $40.0 million in fiscal 2020; (2) positive net income in any fiscal year ending after 2019; (3) maximum debt to tangible net worth ratio of 3:1; and (4) a minimum of $15.0 million in liquid assets (as defined under the DZ Financing Program). At July 28, 2019, the Company was in compliance with all debt covenants. At July 28, 2019, there was $16.4 million of borrowing availability, as defined under the DZ Financing Program.

The Company had entered into the original agreement with DZ Bank when it exited its financing relationship with PNC Bank ("PNC Financing Program"). The Company used funds made available by the DZ Financing Program to repay all amounts outstanding under the PNC Financing Program, which terminated in accordance with its terms. The Company uses the availability from the DZ Financing Program from time-to-time for working capital and other general corporate purposes.

At July 28, 2019, the Company had outstanding borrowings under the DZ Financing Program of $55.0 million with a weighted average annual interest rate of 4.2% during both the third quarter and the first nine months of fiscal 2019. At July 29, 2018, the Company had outstanding borrowings under the DZ Financing program of $50.0 million, with a weighted average annual rate of 3.6% during the third quarter of fiscal 2018 and 3.5% in the first nine months of fiscal 2018.

Long-term debt consists of the following (in thousands):

	July 28, 2019	October 28, 2018
Financing programs	$ 55,000	$ 50,000
Less:		
Deferred financing fees	1,152	932
Total long-term debt, net	**$ 53,848**	**$ 49,068**

NOTE 8: Earnings (Loss) Per Share

Basic and diluted net loss per share are calculated as follows (in thousands, except per share amounts):

	Three Months Ended		Nine Months Ended	
	July 28, 2019	**July 29, 2018**	**July 28, 2019**	**July 29, 2018**
Numerator				
Net loss	**$ (6,057)**	**$ (11,418)**	**$ (14,437)**	**$ (29,799)**
Denominator				
Basic weighted average number of shares	21,157	21,071	21,106	21,044
Diluted weighted average number of shares	21,157	21,071	21,106	21,044
Net loss per share:				
Basic	$ (0.29)	$ (0.54)	$ (0.68)	$ (1.42)
Diluted	$ (0.29)	$ (0.54)	$ (0.68)	$ (1.42)

Options to purchase 636,664 and 1,608,492 shares of the Company's common stock were outstanding at July 28, 2019 and July 29, 2018, respectively. Additionally, there were 632,240 unvested restricted units and 466,929 outstanding at July 28, 2019 and July 29, 2018, respectively, and 355,318 and 276,396 unvested performance share units outstanding at July 28, 2019 and July 29, 2018, respectively. These awards were not included in the computation of diluted loss per share in fiscal 2019 and 2018 because the effect of their inclusion would have been anti-dilutive as a result of the Company's net loss position in those periods.

NOTE 9: Share-Based Compensation Plans

For the three and nine months ended July 28, 2019, the Company recognized share-based compensation expense of$0.6 million and $1.3 million, respectively. For the three and nine months ended July 29, 2018, the Company recognized share-based compensation expense of $(0.3) million and $0.7 million, respectively. These expenses are included in Selling, administrative and other operating costs in the Company's Consolidated Statements of Operations.

2019 Equity Incentive Plan

On May 1, 2019, the stockholders of the Company approved the Company's 2019 Equity Incentive Plan (the "2019 Plan"). The 2019 Plan permits the granting of (1) stock options, including incentive stock options, (2) stock appreciation rights, (3) restricted stock, (4) restricted stock units, (5) performance awards, and (6) other awards valued in whole or in part by reference to or otherwise based on our common stock (as defined in the 2019 Plan, "other stock-based awards"). Subject to adjustment as provided in the 2019 Plan, up to an aggregate of 2,500,000 shares of the Company's common stock will be available for awards under the 2019 Plan, plus any shares granted under the Company's 2015 Equity Incentive Plan that become available for awards under such plan.

Equity Awards

During the third quarter of fiscal 2019, the Company granted long-term incentive awards in the aggregate of237,325 performance stock units ("PSUs") to executive management and 338,710 restricted stock units ("RSUs") to certain employees including executive management. Additionally, an annual equity grant totaling86,405 RSUs was made to the Board of Directors of the Company ("Board of Directors").

The PSUs are eligible to vest in three equal tranches at the end of each performance period. Vesting of the PSUs is dependent on the achievement of the adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") margin percentage goals based on adjusted revenues at the end of each fiscal year end of the one-year, two-year and three-year performance periods and provided that the employees remain employed with the Company on each of those vesting dates. The payout percentages can range from 0% to 150%. The RSUs for the employees vest in equal annual tranches overthree years, provided the employees remain employed with the Company on each of those vesting dates. The RSUs for the Board of Directors vest in one year from the grant date provided that the director provides continued service through the vesting date. The grant date fair value for the PSUs and RSUs is measured using the closing stock price on the grant date. The total fair value of the PSUs and RSUs granted during the third quarter of fiscal 2019 was approximately $1.0 million and $1.9 million, respectively.

For stock options granted in the prior fiscal years, the fair value of the option grants was estimated using the Black-Scholes option-pricing model. For RSUs granted in the prior fiscal years that are classified as equity awards, the grant date fair value is measured using the closing stock price on the grant date. These awards vest in equal annual tranches over three years, provided the employees remain employed with the Company on each of those vesting dates.

Liability Awards

During fiscal 2018, the Company granted PSUs and RSUs that are classified as a liability at fair value, which is computed using a Monte Carlo simulation and re-measured periodically based on the effect that the market condition has on these awards. The liability and corresponding expense is adjusted accordingly until the awards are settled. As of the third quarter ended July 28, 2019, the total fair value of the remaining PSUs and RSUs was approximately $0.6 million and $0.9 million, respectively.

Vesting of the PSUs is dependent on the achievement of target stock prices at the end of each of theone-year, two-year and three-year performance periods. The ending stock price is the average price of the last 20 trading days prior to and including the final day of each performance period. The payout percentages can range from0% to 200%. The RSUs vest in equal annual tranches over three years, provided the employees remain employed with the Company on each of those vesting dates.

Upon vesting, the PSUs and RSUs may be settled in either cash or stock at the Company's election, with any stock settlement being subject to the Company having a sufficient number of shares then available under its equity incentive plan to satisfy such awards. Any awards settled in cash will be capped at two times the Company's closing stock price on the grant date, multiplied by the number of awards vesting. During the third quarter of fiscal 2019, the first tranches of the PSUs and RSUs that vested were settled in stock.

In fiscal 2017, the Company granted phantom units in the form of cash-settled RSUs to certain senior management level employees. The total fair value at the grant date was approximately $0.3 million with a weighted average fair value per unit of$4.35. The units vest in equal annual tranches overthree years, provided the employees remain employed on each of those vesting dates. These awards are classified as a liability and re-measured at the end of each reporting period based on the change in fair value of one share of the

Company’s common stock. As of the third quarter ended July 28, 2019, the total fair value was less than $0.1 million and 6,012 phantom units were outstanding.

Summary of Equity and Liability Awards

The following tables summarize the activities related to the Company’s share-based equity and liability awards for the nine months ended July 28, 2019:

Performance Share Units	**Number of Shares**	**Weighted Average Grant Date Fair Value**
Outstanding at October 28, 2018	276,396	$3.38
Granted (a)	275,591	$4.25
Forfeited	(99,407)	$3.38
Vested	(97,262)	$3.82
Outstanding at July 28, 2019	**355,318**	**$4.01**

(a) Includes the incremental issuance of shares related to the Fiscal 2018 PSU grant.

Restricted Stock Units	**Number of Shares**	**Weighted Average Grant Date Fair Value**
Outstanding at October 28, 2018	582,831	$3.53
Granted	425,115	$4.32
Forfeited	(146,938)	$3.66
Vested	(157,321)	$3.56
Deferred	21,368	$3.20
Outstanding at July 28, 2019	**725,055**	**$3.97**

Stock Options

	Number of Shares	**Weighted Average Exercise Price**	**Weighted Average Contractual Life (in years)**	**Aggregate Intrinsic Value (in thousands)**
Outstanding at October 28, 2018	1,600,040	$5.25	7.27	$—
Exercised	(200,000)	$4.35	—	—
Forfeited	(302,792)	$5.54	—	—
Expired	(460,584)	$5.36	—	—
Outstanding at July 28, 2019	**636,664**	**$6.18**	**7.12**	**$108**

As of July 28, 2019, total unrecognized compensation expense of $3.5 million related to PSUs, stock options, RSUs and phantom units will be recognized over the remaining weighted average vesting period of 2.2 years, of which $0.6 million, $2.0 million, $0.7 million and $0.2 million are expected to be recognized in fiscal 2019, 2020, 2021 and 2022, respectively.

NOTE 10: Restructuring and Severance Charges

The Company incurred total restructuring and severance costs of $2.0 million and $3.1 million in the third quarter of fiscal 2019 and 2018, respectively, and $2.8 million and $3.7 million for the nine months ended July 28, 2019 and July 29, 2018, respectively.

2018 Restructuring Plan

On October 16, 2018, the Company approved a restructuring plan (the “2018 Plan”) based on an organizational and process redesign intended to optimize the Company’s strategic growth initiatives and overall business performance. In connection with the 2018 Plan, the Company incurred restructuring charges comprised of severance and benefit costs and facility and lease termination costs. The 2018 Plan is expected to be completed by the Company's fiscal year end on November 3, 2019. The Company incurred restructuring and severance costs of $0.5 million for the third quarter 2019. The total costs since inception through the third quarter of fiscal 2019 are approximately $5.3 million, consisting of $1.1 million in North American Staffing, $0.4 million in International Staffing and $3.8 million in Corporate and Other. As of July 28, 2019, the Company anticipates payments of $0.9 million and $0.6 million will be made in fiscal 2019 and 2020, respectively. The remaining $1.3 million related to facility and lease termination costs will be paid through December 2025.

Change in Executive Management

Effective June 6, 2018, Michael Dean departed from his role as President and Chief Executive Officer of the Company and is no longer a member of the Board of Directors. The Company and Mr. Dean subsequently executed a separation agreement, effective June 29, 2018 (the "Dean Separation Agreement"). The Company incurred related severance costs of $2.6 million in the third quarter of fiscal 2018, which is payable over a period of24 months.

Exit of Customer Care Solutions Business

In the third quarter of fiscal 2019, the Company exited its customer care solutions business, which is currently reported as a part of the Corporate and Other category. This exit will enable the Company to further strengthen its focus on its core staffing business and align its resources to streamline operations, improve cost competitiveness and increase profitability. As a result of this exit, the Company incurred restructuring and severance costs of $1.4 million and $1.7 million during the third quarter and the first nine months of fiscal 2019, respectively.

Other Restructuring Costs

During fiscal 2019 and 2018, there were other restructuring actions taken by the Company as part of its continued efforts to reduce costs and achieve operational efficiency. The Company recorded severance costs of $0.1 million and $0.5 million in the third quarter of fiscal 2019 and 2018, respectively, primarily resulting from the elimination of certain positions.

Accrued restructuring and severance costs are included in Accrued compensation and Accrued insurance and other in the Consolidated Balance Sheets. Activity for the first nine months of fiscal 2019 is summarized as follows (in thousands):

		July 28, 2019
Balance, beginning of year	**$**	**5,702**
Charged to expense		2,800
Cash payments		(4,326)
Ending Balance	**$**	**4,176**

The remaining balance at July 28, 2019 of$4.2 million, primarily related to Corporate and Other, includes$2.3 million related to the cost reduction plan implemented in fiscal 2018, $1.1 million related to the change in executive management and$0.8 million related to the exit of the customer care solutions business.

NOTE 11: Commitments and Contingencies

(a) Legal Proceedings

The Company is involved in various claims and legal actions arising in the ordinary course of business. The Company’s loss contingencies not discussed elsewhere consist primarily of claims and legal actions arising in the normal course of business related to contingent worker employment matters in the staffing services segments. These matters are at varying stages of investigation, arbitration or adjudication. The Company has accrued for losses on individual matters that are both probable and reasonably estimable.

Estimates are based on currently available information and assumptions. Significant judgment is required in both the determination of probability and the determination of whether a matter is reasonably estimable. The Company’s estimates may change and actual expenses could differ in the future as additional information becomes available.

(b) Other Matters

As previously disclosed in the Annual Report on Form 10-K for the year ended October 28, 2018, certain qualification failures related to nondiscrimination testing for the Company’s 401(k) plans consisting of the (1) Volt Technical Services Savings Plan and the (2) Volt Information Sciences, Inc. Savings Plan occurred during plan years prior to 2016. The Company has obtained the approval from the Internal Revenue Service regarding the method for curing the failures and made a contribution of $0.8 million in early fourth quarter of 2019.

NOTE 12: Segment Data

We report our segment information in accordance with the provisions of ASC 280,*Segment Reporting*.

During the fourth quarter of fiscal 2018, in accordance with ASC 280, the Company determined that its North American Managed Service Program ("MSP") met the criteria to be presented as a reportable segment. To provide period over period comparability, the Company has recast the prior period North American MSP segment data to conform to the current presentation in the prior period. This change did not have any impact on the consolidated financial results for any period presented. Our current reportable segments are (i) North American Staffing, (ii) International Staffing and (iii) North American MSP. The non-reportable businesses are combined and disclosed with corporate services under the category Corporate and Other.

In the third quarter of fiscal 2019, the Company exited its customer care solutions business, which is currently reported as a part of the Corporate and Other category. This exit will enable the Company to further strengthen its focus on its core staffing business and align its resources to streamline operations, improve cost competitiveness and increase profitability. The Company's other non-reportable businesses will continue to be combined and disclosed with corporate services under the category Corporate and Other.

Segment operating income (loss) is comprised of segment net revenue less cost of services, selling, administrative and other operating costs, restructuring and severance costs, and impairment charges. The Company allocates to the segments all operating costs except for costs not directly related to the operating activities such as corporate-wide general and administrative costs. These costs are not allocated because doing so would not enhance the understanding of segment operating performance and are not used by management to measure segment performance.

Financial data concerning the Company's segment revenue and operating income (loss) as well as results from Corporate and Other are summarized in the following tables (in thousands):

	Three Months Ended July 28, 2019					
	Total	North American Staffing	International Staffing	North American MSP	Corporate and Other (1)	Eliminations (2)
Net revenue	**$ 233,176**	**$ 193,641**	**$ 28,728**	**$ 9,555**	**$ 1,856**	**$ (604)**
Cost of services	197,528	164,809	24,181	7,053	2,089	(604)
Gross margin	**35,648**	**28,832**	**4,547**	**2,502**	**(233)**	**—**
Selling, administrative and other operating costs	38,395	24,346	4,023	1,382	8,644	—
Restructuring and severance costs	2,017	121	182	—	1,714	—
Impairment charge	79	—	—	—	79	—
Operating income (loss)	**(4,843)**	**4,365**	**342**	**1,120**	**(10,670)**	**—**
Other income (expense), net	(1,049)					
Income tax provision	165					
Net loss	**$ (6,057)**					

	Three Months Ended July 29, 2018					
	Total	North American Staffing	International Staffing	North American MSP	Corporate and Other (1)	Eliminations (2)
Net revenue	**$ 257,808**	**$ 215,679**	**$ 28,579**	**$ 6,959**	**$ 7,456**	**$ (865)**
Cost of services	221,448	184,724	23,917	5,400	8,272	(865)
Gross margin	**36,360**	**30,955**	**4,662**	**1,559**	**(816)**	**—**
Selling, administrative and other operating costs	42,222	27,971	3,944	1,414	8,893	—
Restructuring and severance costs	3,108	23	41	38	3,006	—
Operating income (loss)	**(8,970)**	**2,961**	**677**	**107**	**(12,715)**	**—**
Other income (expense), net	(1,142)					
Income tax provision	1,306					
Net loss	**$ (11,418)**					

	Nine Months Ended July 28, 2019					
	Total	North American Staffing	International Staffing	North American MSP	Corporate and Other (1)	Eliminations (2)
Net revenue	**$ 738,682**	**$ 614,360**	**$ 83,803**	**$ 27,351**	**$ 15,133**	**$ (1,965)**
Cost of services	629,078	526,172	70,414	20,157	14,300	(1,965)
Gross margin	**109,604**	**88,188**	**13,389**	**7,194**	**833**	**—**
Selling, administrative and other operating costs	117,144	77,063	11,659	3,941	24,481	—
Restructuring and severance costs	2,800	329	456	68	1,947	—
Impairment charge	426	—	—	—	426	—
Operating income (loss)	**(10,766)**	**10,796**	**1,274**	**3,185**	**(26,021)**	**—**
Other income (expense), net	(3,000)					
Income tax provision	671					
Net loss	**$ (14,437)**					

	Nine Months Ended July 29, 2018					
	Total	North American Staffing	International Staffing	North American MSP	Corporate and Other (1)	Eliminations (2)
Net revenue	**$ 774,365**	**$ 640,004**	**$ 90,062**	**$ 21,778**	**$ 25,520**	**$ (2,999)**
Cost of services	664,695	551,011	76,094	16,659	23,930	(2,999)
Gross margin	**109,670**	**88,993**	**13,968**	**5,119**	**1,590**	**—**
Selling, administrative and other operating costs	132,076	85,055	12,231	4,213	30,577	—
Restructuring and severance costs	3,730	32	340	117	3,241	—
Impairment charge	155	—	—	—	155	—
Operating income (loss)	**(26,291)**	**3,906**	**1,397**	**789**	**(32,383)**	**—**
Other income (expense), net	(2,932)					
Income tax provision	576					
Net loss	**$ (29,799)**					

(1) Revenues are primarily derived from Volt Customer Care Solutions through June 7, 2019.
(2) The majority of intersegment sales results from North American Staffing providing resources to Volt Customer Care Solutions.

NOTE 13: Subsequent Events

On August 12, 2019, Paul Tomkins stepped down from his role as Senior Vice President and Chief Financial Officer of the Company effective August 23, 2019. In connection with Mr. Tomkins' departure, the Board of Directors appointed Herbert M. Mueller as Senior Vice President and Chief Financial Officer of the Company, effective August 24, 2019.

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

Management's discussion and analysis ("MD&A") of financial condition and results of operations is provided as a supplement to and should be read in conjunction with the unaudited condensed consolidated financial statements and related notes to enhance the understanding of our results of operations, financial condition and cash flows. This MD&A should be read in conjunction with the MD&A included in our Form 10-K for the fiscal year ended October 28, 2018, as filed with the SEC on January 9, 2019 (the "2018 Form 10-K"). References in this document to "Volt," "Company," "we," "us" and "our" mean Volt Information Sciences, Inc. and our consolidated subsidiaries, unless the context requires otherwise. The statements below should also be read in conjunction with the description of the risks and uncertainties set forth from time to time in our reports and other filings made with the SEC, including under Part I, "Item 1A. Risk Factors" of the 2018 Form 10-K.

Note Regarding the Use of Non-GAAP Financial Measures

We have provided certain Non-GAAP financial information, which includes adjustments for special items and certain line items on a constant currency basis, as additional information for segment revenue, our consolidated net income (loss) and segment operating income (loss). These measures are not in accordance with, or an alternative for, measures prepared in accordance with generally accepted accounting principles ("GAAP") and may be different from Non-GAAP measures reported by other companies. We believe that the presentation of Non-GAAP measures on a constant currency basis and eliminating special items provides useful information to management and investors regarding certain financial and business trends relating to our financial condition and results of operations because they permit evaluation of the results of our operations without the effect of currency fluctuations or special items that management believes make it more difficult to understand and evaluate our results of operations. Special items generally include impairments, restructuring and severance costs, as well as certain income or expenses which the Company does not consider indicative of the current and future period performance.

Segments

We report our segment information in accordance with the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 280, *Segment Reporting*.

During the fourth quarter of fiscal 2018, in accordance with ASC 280, the Company determined that its North American Managed Service Program ("MSP") met the criteria to be presented as a reportable segment. To provide period over period comparability, the Company has recast the prior period North American MSP segment data to conform to the current presentation in the prior period. This change did not have any impact on the consolidated financial results for any period presented. Our current reportable segments are (i) North American Staffing, (ii) International Staffing and (iii) North American MSP. The non-reportable businesses are combined and disclosed with corporate services under the category Corporate and Other.

In the third quarter of fiscal 2019, the Company exited its customer care solutions business, which is currently reported as a part of the Corporate and Other category. This exit will enable the Company to further strengthen its focus on its core staffing business and align its resources to streamline operations, improve cost competitiveness and increase profitability. The Company's other non-reportable businesses will continue to be combined and disclosed with corporate services under the category Corporate and Other.

Overview

We are a global provider of staffing services (traditional time and materials-based as well as project-based). Our staffing services consist of workforce solutions that include providing contingent workers, personnel recruitment services, and managed staffing services programs supporting primarily administrative and light industrial ("commercial") as well as technical, information technology and engineering ("professional") positions. Our managed service programs ("MSP") involves managing the procurement and on-boarding of contingent workers from multiple providers. Our customer care solutions specializes in serving as an extension of our customers' consumer relationships and processes including collaborating with customers, from help desk inquiries to advanced technical support.

As of July 28, 2019, we employed approximately 17,300 people, including 16,100 contingent workers. Contingent workers are on our payroll for the length of their assignment. We operate from approximately 85 locations worldwide with approximately 88% of our revenues generated in the United States. Our principal international markets include Europe, Canada and several Asia Pacific locations. The industry is highly fragmented and very competitive in all of the markets we serve.

Recent Developments

On August 12, 2019, Paul Tomkins stepped down from his role as Senior Vice President and Chief Financial Officer of the Company effective August 23, 2019. In connection with Mr. Tomkins' departure, the Board of Directors appointed Herbert M. Mueller as Senior Vice President and Chief Financial Officer of the Company, effective August 24, 2019.

Consolidated Results by Segment

	Three Months Ended July 28, 2019					
(in thousands)	Total	North American Staffing	International Staffing	North American MSP	Corporate and Other (1)	Eliminations (2)
Net revenue	**$ 233,176**	**$ 193,641**	**$ 28,728**	**$ 9,555**	**$ 1,856**	**$ (604)**
Cost of services	197,528	164,809	24,181	7,053	2,089	(604)
Gross margin	**35,648**	**28,832**	**4,547**	**2,502**	**(233)**	**—**
Selling, administrative and other operating costs	38,395	24,346	4,023	1,382	8,644	—
Restructuring and severance costs	2,017	121	182	—	1,714	—
Impairment charge	79	—	—	—	79	—
Operating income (loss)	**(4,843)**	**4,365**	**342**	**1,120**	**(10,670)**	**—**
Other income (expense), net	(1,049)					
Income tax provision	165					
Net loss	**$ (6,057)**					

	Three Months Ended July 29, 2018					
(in thousands)	Total	North American Staffing	International Staffing	North American MSP	Corporate and Other (1)	Eliminations (2)
Net revenue	**$ 257,808**	**$ 215,679**	**$ 28,579**	**$ 6,959**	**$ 7,456**	**$ (865)**
Cost of services	221,448	184,724	23,917	5,400	8,272	(865)
Gross margin	**36,360**	**30,955**	**4,662**	**1,559**	**(816)**	**—**
Selling, administrative and other operating costs	42,222	27,971	3,944	1,414	8,893	—
Restructuring and severance costs	3,108	23	41	38	3,006	—
Operating income (loss)	**(8,970)**	**2,961**	**677**	**107**	**(12,715)**	**—**
Other income (expense), net	(1,142)					
Income tax provision	1,306					
Net loss	**$ (11,418)**					

(1) Revenues are primarily derived from Volt Customer Care Solutions through June 7, 2019.
(2) The majority of intersegment sales results from North American Staffing providing resources to Volt Customer Care Solutions.

Results of Operations Consolidated (Q3 2019 vs. Q3 2018)

Net revenue in the third quarter of fiscal 2019 decreased $24.6 million, to $233.2 million from $257.8 million in the third quarter of fiscal 2018. The net revenue decrease was primarily due to a decrease in our North American Staffing segment of $22.1 million and a decrease in the Corporate and Other category of $5.6 million (related to the exit from our customer care solutions business in June 2019), partially offset by an increase in our North American MSP segment of $2.6 million. Excluding the negative impact of foreign currency fluctuations of $1.3 million and a $5.6 million revenue decline from a business exited during the period, net revenue decreased $17.7 million, or 7.1%.

Operating loss in the third quarter of fiscal 2019 decreased $4.2 million, to $4.8 million from $9.0 million in the third quarter of fiscal 2018. Excluding a business exited during the period as well as restructuring and severance costs and impairment charges, operating loss decreased $2.3 million, or 45.4%. This decrease in operating loss of $2.3 million was primarily the result of improvements in our North American Staffing segment of $1.5 million and North American MSP segment of $1.0 million.

Results of Operations by Segment (Q3 2019 vs. Q3 2018)

Net Revenue

The North American Staffing segment revenue decreased $22.1 million, or 10.2%, in the third quarter of fiscal 2019. The segment's revenue was impacted by lower demand from certain large customers and changes in other customers' staffing models, partially offset by growth from new and existing customers. This decrease was primarily driven by lower demand from customers in our light industrial as well as administrative and office job categories.

International Staffing segment revenue increased $0.1 million, or 0.5%, in the third quarter of fiscal 2019. However, excluding the negative impact of foreign exchange rate fluctuations of $1.3 million, revenue increased $1.4 million, or 5.4%, primarily due to growth in demand in Belgium and France.

The North American MSP segment revenue increased $2.6 million, or 37.3%, as a result of increased demand in both payroll service and managed service businesses.

The Corporate and Other category revenue decreased $5.6 million, or 75.1%, primarily as a result of our exit from the customer care solutions business in the beginning of June 2019.

Cost of Services and Gross Margin

Cost of services in the third quarter of fiscal 2019 decreased $23.9 million, or 10.8% to $197.5 million from $221.4 million in the third quarter of fiscal 2018. Gross margin as a percent of revenue in the third quarter of fiscal 2019 increased to 15.3% from 14.1% in the third quarter of fiscal 2018. Our North American Staffing segment margin as a percent of revenue improved as a result of lower payroll tax rates primarily from a reduction in California unemployment tax rates, partially offset by a decline in higher-margin direct hire and administrative fee revenue. Our North American MSP segment margin increased as a result of the increase in revenue for both managed service and payroll service businesses as well as improved margin as a percent of revenue in this segments' managed service revenue. In addition, gross margin was impacted by our customer care solutions business which we exited in June 2019. Excluding this business, gross margin in the third quarter of fiscal 2019 increased to 15.5% from 14.9% in the third quarter of fiscal 2018.

Selling, Administrative and Other Operating Costs

Selling, administrative and other operating costs in the third quarter of fiscal 2019 decreased $3.8 million, or 9.1%, to $38.4 million from $42.2 million in the third quarter of fiscal 2018. The decrease was primarily due to on-going cost reductions in all areas of the business, including $3.3 million in labor and related costs due to lower headcount and revised incentive plans as well as $0.7 million in facility related costs. As a percent of revenue, selling, administrative and other operating costs were 16.5% and 16.4% in the third quarter of fiscal 2019 and 2018, respectively.

Restructuring and Severance Costs

Restructuring and severance costs in the third quarter of fiscal 2019 decreased $1.1 million, to $2.0 million from $3.1 million in the third quarter of fiscal 2018. The costs in the third quarter of fiscal 2019 were primarily due to lease termination costs in connection with exiting our customer care solutions business in the third quarter of fiscal 2019. In the third quarter of fiscal 2018, costs were incurred in accordance with the Dean Separation Agreement.

Other Income (Expense), net

Other expense in the third quarter of fiscal 2019 decreased $0.1 million, to $1.0 million from $1.1 million in the third quarter of fiscal 2018 due to a decrease in non-cash foreign exchange losses primarily on intercompany balances and lower amortization of deferred financing fees. These improvements were partially offset by increased interest expense as a result of higher rates and an increase in borrowings under our financing program.

Income Tax Provision

The income tax provisions of $0.2 million and $1.3 million in the third quarter of fiscal 2019 and 2018, respectively, were primarily related to locations outside of the United States.

Consolidated Results by Segment

(in thousands)	Nine Months Ended July 28, 2019 Total	North American Staffing	International Staffing	North American MSP	Corporate and Other (1)	Eliminations (2)
Net revenue	**$ 738,682**	**$ 614,360**	**$ 83,803**	**$ 27,351**	**$ 15,133**	**$ (1,965)**
Cost of services	629,078	526,172	70,414	20,157	14,300	(1,965)
Gross margin	**109,604**	**88,188**	**13,389**	**7,194**	**833**	**—**
Selling, administrative and other operating costs	117,144	77,063	11,659	3,941	24,481	—
Restructuring and severance costs	2,800	329	456	68	1,947	—
Impairment charge	426	—	—	—	426	—
Operating income (loss)	**(10,766)**	**10,796**	**1,274**	**3,185**	**(26,021)**	**—**
Other income (expense), net	(3,000)					
Income tax provision	671					
Net loss	**$ (14,437)**					

(in thousands)	Nine Months Ended July 29, 2018 Total	North American Staffing	International Staffing	North American MSP	Corporate and Other (1)	Eliminations (2)
Net revenue	**$ 774,365**	**$ 640,004**	**$ 90,062**	**$ 21,778**	**$ 25,520**	**$ (2,999)**
Cost of services	664,695	551,011	76,094	16,659	23,930	(2,999)
Gross margin	**109,670**	**88,993**	**13,968**	**5,119**	**1,590**	**—**
Selling, administrative and other operating costs	132,076	85,055	12,231	4,213	30,577	—
Restructuring and severance costs	3,730	32	340	117	3,241	—
Impairment charge	155	—	—	—	155	—
Operating income (loss)	**(26,291)**	**3,906**	**1,397**	**789**	**(32,383)**	**—**
Other income (expense), net	(2,932)					
Income tax provision	576					
Net loss	**$ (29,799)**					

(1) Revenues are primarily derived from Volt Customer Care Solutions through June 7, 2019.
(2) The majority of intersegment sales results from North American Staffing providing resources to Volt Customer Care Solutions.

Results of Operations Consolidated (Q3 2019 YTD vs. Q3 2018 YTD)

Net revenue in the first nine months of fiscal 2019decreased $35.7 million, to $738.7 million from $774.4 million in the first nine months of fiscal 2018. The net revenue decrease was primarily due to decreases in our North American Staffing segment of$25.6 million, the Corporate and Other category of $10.4 million and our International Staffing segment of $0.8 million, as well as the negative impact of foreign currency fluctuations of$4.8 million. These decreases were partially offset by an increase of$5.6 million in our North American MSP segment. Excluding the impact of foreign currency fluctuations and$11.0 million in revenue from businesses exited during the period, net revenue decreased $19.9 million, or 2.7%.

Operating loss in the first nine months of fiscal 2019decreased $15.5 million, to $10.8 million from $26.3 million in the first nine months of fiscal 2018. Excluding businesses exited during the period as well as restructuring and severance costs and impairment charges, operating loss decreased $14.9 million, or 62.4%. This decrease in operating loss of $14.9 million was primarily the result of improvements in our North American Staffing segment of$7.2 million and North American MSP segment of$2.3 million. In addition, the Corporate and Other category improved by $5.4 million primarily as a result of reductions in corporate support costs.

Results of Operations by Segment (Q3 2019 YTD vs. Q3 2018 YTD)

Net Revenue

The North American Staffing segment revenue decreased $25.6 million, or 4.0%, in the first nine months of fiscal 2019. The year over year decrease in revenue improved from a decline of 7.9% in the first nine months of fiscal 2018 compared to the first nine months of fiscal 2017. This decrease was driven by decreases from customers in our professional and administrative and office job categories partially offset by increased demand from customers in our light industrial job category.

International Staffing segment revenue decreased $6.3 million, or 6.9%, in the first nine months of fiscal 2019. Excluding the negative impact of foreign exchange rate fluctuations of $4.8 million and $0.7 million in revenue from a business exited during the period, revenue declined $0.8 million, or 1.0%, primarily due to lower demand in the United Kingdom offset by growth in Belgium and France.

The North American MSP segment revenue increased $5.6 million, or 25.6%, as a result of growth in both payroll service and managed service businesses. The loss of several programs in early fiscal 2018 was offset by new contracts and program expansions in the latter half of the year.

The Corporate and Other category revenue decreased $10.4 million, or 40.7%, primarily as a result of our exit from the customer care solutions business in the beginning of June 2019. This business experienced lower headcount from reduced client demand earlier in the year.

Cost of Services and Gross Margin

Cost of services in the first nine months of fiscal 2019 decreased $35.6 million, or 5.4%, to $629.1 million from $664.7 million in the first nine months of fiscal 2018. Gross margin as a percent of revenue in the first nine months of fiscal 2019 increased to 14.8% from 14.2% in the first nine months of fiscal 2018. Our North American Staffing segment margin as a percent of revenue improved as a result of lower payroll tax rates primarily from a reduction in California unemployment tax rates, partially offset by a higher mix of larger price-competitive customers. In addition, our North American MSP segment margin as a percent of revenue increased due to increases in both payroll and managed service businesses. This improvement was partially offset by lower margins from our customer care solutions business which we exited in June 2019 and experienced lower headcount from reduced client demand earlier in the year. Excluding this business, gross margin increased to 15.1% in the first nine months of fiscal 2019 from 14.5% in the first nine months of fiscal 2018.

Selling, Administrative and Other Operating Costs

Selling, administrative and other operating costs in the first nine months of fiscal 2019 decreased $15.0 million, or 11.3%, to $117.1 million from $132.1 million in the first nine months of fiscal 2018. The decrease was primarily due to on-going cost reductions in all areas of the business, including $9.9 million in labor and related costs due to lower headcount and revised incentive plans, $1.9 million in facility related costs and $0.7 million in travel expenses. In addition, legal and consulting fees were $3.2 million lower primarily related to corporate and cost-efficiency initiatives in the first quarter of fiscal 2018. These improvements were offset by $1.4 million in higher medical claims experience in the first nine months of fiscal 2019. As a percent of revenue, these costs were 15.9% and 17.1% in the first nine months of fiscal 2019 and 2018, respectively.

Restructuring and Severance Costs

Restructuring and severance costs in the first nine months of fiscal 2019 decreased $0.9 million to $2.8 million from $3.7 million in the first nine months of fiscal 2018. The costs in the first nine months of fiscal 2019 are primarily due to severance and lease termination costs in connection with exiting our customer care solutions business. In the first nine months of fiscal 2018, costs were incurred in accordance with the Dean Separation Agreement.

Impairment Charges

Impairment charges in the first nine months of fiscal 2019 increased $0.2 million, to $0.4 million from $0.2 million in the first nine months of fiscal 2018. In the first nine months of fiscal 2019, we recorded an impairment charge of $0.3 million on equipment used in our customer care solutions business. In the first nine months of fiscal 2018, we made the decision to forgo future use of a previously purchased software tool, which resulted in an impairment charge of $0.2 million.

Other Income (Expense), net

Other expense in the first nine months of fiscal 2019 increased $0.1 million, or 2.3%, to $3.0 million from $2.9 million in the first nine months of fiscal 2018, primarily as a result of increased interest expense as a result of higher rates and an increase in borrowings under our financing program as well as an increase in non-cash foreign exchange losses primarily on intercompany balances. These increases were partially offset by lower amortization of deferred financing fees.

Income Tax Provision (Benefit)

The income tax provision of $0.7 million in the first nine months of fiscal 2019 was primarily related to locations outside of the United States. The income tax provision of $0.6 million in the first nine months of fiscal 2018 was offset by a $1.1 million reversal of uncertain tax provisions partially offset by a provision primarily related to locations outside of the United States.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are cash flows from operations and proceeds from our financing arrangements with DZ Bank AG Deutsche Zentral Genossenschafsbank ("DZ Bank") and with PNC Bank, National Association ("PNC Bank") until the termination of the PNC Financing Program in January 2018. Borrowing capacity under these arrangements is directly impacted by the level of accounts receivable, which fluctuates during the year due to seasonality and other factors. Our business is subject to seasonality with our fiscal first quarter billings typically the lowest due to the holiday season and generally increasing in the fiscal third and fourth quarters when our customers increase the use of contingent labor. Generally, the first and fourth quarters of our fiscal year are the strongest for operating cash flows. Our operating cash flows consist primarily of collections of customer receivables offset by payments for payroll and related items for our contingent staff and in-house employees; federal, foreign, state and local taxes; and trade payables. We generally provide customers with 15 - 45 day credit terms, with few extenuating exceptions, while our payroll and certain taxes are paid weekly.

We manage our cash flow and related liquidity on a global basis. We fund payroll, taxes and other working capital requirements using cash supplemented as needed from our borrowings. Our weekly payroll payments inclusive of employment-related taxes and payments to vendors are approximately $20.0 million. We generally target minimum global liquidity to be approximately 1.5 times our average weekly requirements. We also maintain minimum effective cash balances in foreign operations and use a multi-currency netting and overdraft facility for our European entities to further minimize overseas cash requirements. We believe our cash flow from operations and planned liquidity will be sufficient to meet our cash needs for the next twelve months.

Capital Allocation

We have prioritized our capital allocation strategy to strengthen our balance sheet and increase our competitiveness in the marketplace. The timing of these capital allocation priorities is highly dependent upon attaining the profitability objectives outlined in our plan and the generation of positive cash flow. We also see this as an opportunity to demonstrate our ongoing commitment to Volt shareholders as we continue to execute on our plan and return to sustainable profitability. Our capital allocation strategy includes the following elements:

- *Maintaining appropriate levels of working capital.* Our business requires a certain level of cash resources to efficiently execute operations. Consistent with similar companies in our industry and operational capabilities, we estimate this amount to be approximately 1.5 times our weekly cash distributions on a global basis and must accommodate seasonality and cyclical trends;

- *Reinvesting in our business.* We continue to execute on our company-wide initiative of disciplined reinvestment in our business including new information technology systems, which will support our front-end recruitment and placement capabilities as well as increase efficiencies in our back-office financial suite. We are also investing in our sales and recruiting process and resources, which are critical to drive profitable revenue growth;

- *Deleveraging our balance sheet.* By lowering our debt level, we will strengthen our balance sheet, reduce interest costs and reduce risk going forward;

Recent Initiatives to Improve Operating Income, Cash Flows and Liquidity

We continue to make progress on several initiatives undertaken to enhance our liquidity position and shareholder value.

On July 19, 2019, we amended and restated our long-term $115.0 million accounts receivable securitization program with DZ Bank, which was originally executed on January 25, 2018. The restated agreement allows for the inclusion of certain accounts receivable from originators in the United Kingdom, which adds an additional $5.0 - $7.0 million in borrowing availability. This will improve available liquidity allowing us to continue to advance our capital allocation plan and will provide us with additional resources to execute our business strategy.

Entering fiscal 2019, we have significant tax benefits including federal net operating loss carryforwards of$187.5 million and U.S. state net operating loss carryforwards of $224.1 million as well as federal tax credits of $51.3 million, which are fully reserved with a valuation allowance. Such loss carryforwards and credits are available for utilization against corporate income tax that may result in the future. We also have capital loss carryforwards of $12.9 million, which we will be able to utilize against potential future capital gains that may arise in the near future.

As previously noted, we continue to add functionality to our underlying information technology systems and to improve our competitiveness in the marketplace. Through our strategy of improving efficiency in all aspects of our operations, we believe we can realize organic growth opportunities, reduce costs and increase profitability. During fiscal 2018, we also took certain restructuring actions that will improve selling, general and administrative costs by approximately $13.5 million in annualized savings. This is due in part to efficiencies gained from our information technology investment, as well as additional headcount reduction and lease termination initiatives taken under our 2018 Plan. Consistent with our ongoing strategic efforts, cost savings will be used to strengthen our operations.

Liquidity Outlook and Further Considerations

As previously noted, our primary sources of liquidity are cash flows from operations and proceeds from our financing arrangements. Both operating cash flows and borrowing capacity under our financing arrangements are directly related to the levels of accounts receivable generated by our businesses. Our level of borrowing capacity under the long-term accounts receivable securitization program ("DZ Financing Program") increases or decreases in tandem with any increases or decreases in accounts receivable based on revenue fluctuations.

On June 4, 2019, we entered into an amendment with DZ Bank to temporarily exclude the receivables due from a specific customer from the securitization pool under our DZ Financing Program for three subsequent reporting periods as of May 2019 through July 2019. This customer experienced internal processing issues related to specific Volt purchase orders resulting in significant payment delays, which negatively impacted the 90-Day Delinquency Rate, as defined in the DZ Financing Program. Although, this change improved the delinquency rate, it also temporarily decreased our borrowing availability under the DZ Financing Program by approximately $2.0 - $3.0 million. These payment delays were not credit related and the Company collected a significant portion of the past due amounts in late June 2019. The issue was resolved and the receivables from this customer were added back to the securitization pool under the original terms of the agreement, as permitted under a provision in the amendment.

In the third quarter of fiscal 2019, we exited our customer care solutions business. This business previously contributed accounts receivable as collateral under the DZ Financing Program and its exit had a diminishing effect on our borrowing base under the DZ Financing Program.

At July 28, 2019, the Company had outstanding borrowings under the DZ Financing Program of$55.0 million. Borrowing availability, as defined under the DZ Financing Program, was $16.4 million and global liquidity was $40.6 million at July 28, 2019.

Our DZ Financing Program is subject to termination under certain events of default such as breach of covenants, including the financial covenants. At July 28, 2019, we were in compliance with all debt covenants. We believe, based on our current outlook, we will continue to be able to meet our financial covenants.

The following table sets forth our cash and global liquidity levels at the end of our last five quarters (in thousands):

Global Liquidity

	July 29, 2018	October 28, 2018	January 27, 2019	April 28, 2019	July 28, 2019
Cash and cash equivalents *(a)*	**$ 29,929**	**$ 24,763**	**$ 32,925**	**$ 39,689**	**$ 36,031**
Total outstanding debt	**$ 50,000**	**$ 50,000**	**$ 55,000**	**$ 55,000**	**$ 55,000**
Cash in banks *(b)(c)*	$ 22,454	$ 17,685	$ 23,646	$ 29,946	$ 24,224
DZ Financing Program *(d)*	30,280	38,302	31,072	22,222	16,416
Global liquidity	**52,734**	**55,987**	**54,718**	**52,168**	**40,640**
Minimum liquidity threshold	15,000	15,000	15,000	15,000	15,000
Available liquidity	**$ 37,734**	**$ 40,987**	**$ 39,718**	**$ 37,168**	**$ 25,640**

a. Per financial statements.
b. Amount generally includes outstanding checks.
c. Amounts in the USB collections account are excluded from cash in banks as the balance is included in the borrowing availability under the DZ Financing Program. As of July 28, 2019, the balance in the USB collections account included in the DZ Financing Program availability was $6.8 million.
d. The borrowing base included the receivables from the United Kingdom effective July 19, 2019 and excluded the receivables from the customer care solutions business which we exited in June 2019.

Cash flows from operating, investing and financing activities, as reflected in our Condensed Consolidated Statements of Cash Flows, are summarized in the following table (in thousands):

	Nine Months Ended	
	July 28, 2019	July 29, 2018
Net cash provided by (used in) operating activities	$ 10,161	$ (10,025)
Net cash used in investing activities	(6,227)	(2,099)
Net cash provided by (used in) financing activities	4,063	(1,684)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(633)	(817)
Net increase (decrease) in cash, cash equivalents and restricted cash	**$ 7,364**	**$ (14,625)**

Cash Flows - Operating Activities

The net cash provided by operating activities in the nine months ended July 28, 2019 was$10.2 million, an increase of $20.2 million from net cash used in operating activities of $10.0 million in the nine months ended July 29, 2018. Thisincrease resulted primarily from a decrease in net loss of$15.4 million and a higher amount of cash provided by operating assets and liabilities, primarily from accounts payable and accounts receivable offset by other assets and income taxes.

Cash Flows - Investing Activities

The net cash used in investing activities in the nine months ended July 28, 2019 was$6.2 million, principally for purchases of property, equipment and software of$6.3 million. The net cash used in investing activities in the nine months ended July 29, 2018 was $2.1 million, principally for the purchases of property, equipment and software of$2.3 million.

Cash Flows - Financing Activities

The net cash provided by financing activities in the nine months ended July 28, 2019 was$4.1 million as a result of a $5.0 million net draw down of borrowings under the DZ Financing Program partially offset by debt issuance costs of $0.6 million. The net cash used in financing activities in the nine months ended July 29, 2018 was$1.7 million mainly due to debt issuance costs of $1.4 million.

Financing Program

On July 19, 2019, we amended and restated our DZ Financing Program, a long-term $115.0 million accounts receivable securitization program with DZ Bank which was originally executed on January 25, 2018. The restated agreement allows for the inclusion of certain accounts receivable from originators in the United Kingdom, which adds an additional $5.0 - $7.0 million in borrowing availability. All other material terms and conditions of the original agreement remain substantially unchanged.

The DZ Financing Program is fully collateralized by certain receivables of the Company that are sold to a wholly-owned, consolidated, bankruptcy-remote subsidiary. To finance the purchase of such receivables, that subsidiary may request that DZ Bank make loans from time-to-time to that subsidiary which are secured by liens on those receivables.

On June 4, 2019, we entered into an amendment with DZ Bank to temporarily exclude the receivables due from a specific customer from the securitization pool under our DZ Financing Program for three subsequent reporting periods as of May 2019 through July 2019. This customer experienced internal processing issues related to specific Volt purchase orders resulting in significant payment delays, which negatively impacted the 90-Day Delinquency Rate, as defined in the DZ Financing Program. Although this change improved the delinquency rate, it temporarily decreased our borrowing availability under the DZ Financing Program by approximately $2.0 - $3.0 million. These payment delays were not credit related and the Company collected a significant portion of the past due amounts in late June 2019. The issue was resolved and the receivables from this customer were added back to the securitization pool under the original terms of the agreement, as permitted under a provision in the amendment.

Loan advances may be made under the DZ Financing Program through January 25, 2021 and all loans will mature no later than July 25, 2021. Loans will accrue interest (i) with respect to loans that are funded through the issuance of commercial paper notes, at the CP rate, and (ii) otherwise, at a rate per annum equal to adjusted LIBOR. The CP rate will be based on the rates paid by the applicable lender on notes it issues to fund related loans. Adjusted LIBOR is based on LIBOR for the applicable interest period and the rate prescribed by the Board of Governors of the Federal Reserve System for determining the reserve requirements with respect to Eurocurrency funding. If an event of default occurs, all loans shall bear interest at a rate per annum equal to the prime rate (the federal funds rate plus 3%) plus 2.5%.

The DZ Financing Program also includes a letter of credit sub-facility with a sub-limit of$35.0 million. As of July 28, 2019, the letter of credit participation was$24.2 million inclusive of $22.8 million for the Company's casualty insurance program, $1.2 million for the security deposit required under certain real estate lease agreements and$0.2 million for the Company's corporate credit card program. The Company used$30.0 million of funds available under the DZ Financing Program to temporarily collateralize the letters of credit, until the letters of credit were established with DZ Bank on January 31, 2018.

The DZ Financing Program contains customary representations and warranties as well as affirmative and negative covenants, with such covenants being less restrictive than those under the PNC Financing Program. The agreement also contains customary default, indemnification and termination provisions. The DZ Financing Program is not an off-balance sheet arrangement, as the bankruptcy-remote subsidiary is a 100%-owned consolidated subsidiary of the Company.

The Company is subject to certain financial and portfolio performance covenants under the DZ Financing Program, including (1) a minimum Tangible Net Worth (as defined under the DZ Financing Program) of at least $30.0 million through fiscal 2019, which will increase to$40.0 million in fiscal 2020; (2) positive net income in any fiscal year ending after 2019; (3) maximum debt to tangible net worth ratio of 3:1; and (4) a minimum of $15.0 million in liquid assets (as defined under the DZ Financing Program). At July 28, 2019, the Company was in compliance with all debt covenants. At July 28, 2019, there was $16.4 million of borrowing availability, as defined under the DZ Financing Program.

We had entered into the original agreement with DZ Bank when it exited its financing relationship with PNC Bank ("PNC Financing Program"). We used funds made available by the DZ Financing Program to repay all amounts outstanding under the PNC Financing Program, which terminated in accordance with its terms. We use the availability from the DZ Financing Program from time-to-time for working capital and other general corporate purposes.

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

The information in this section should be read in conjunction with the information on financial market risk related to non-U.S. currency exchange rates, changes in interest rates and other financial market risks in Part II, Item 7A., "Quantitative and Qualitative Disclosures About Market Risk," in our Annual Report on Form 10-K for the year ended October 28, 2018.

Market risk is the potential economic gain or loss that may result from changes in market rates and prices. In the normal course of business, the Company's earnings, cash flows and financial position are exposed to market risks relating to the impact of interest rate changes and foreign currency exchange rate fluctuations. We limit these risks through risk management policies and procedures.

Interest Rate Risk

We centrally manage our debt and investment portfolios considering investment opportunities and risks, tax consequences and overall financing strategies. At July 28, 2019, we had cash and cash equivalents on which interest income is earned at variable rates. At July 28, 2019, we had a long-term $115.0 million accounts receivable securitization program, which can be increased subject to credit approval from DZ Bank, to provide additional liquidity to meet our short-term financing needs.

The interest rates on these borrowings and financings are variable and, therefore, interest and other expense and interest income are affected by the general level of U.S. and foreign interest rates. Based upon the current levels of cash invested and utilization of the securitization program, on a short-term basis, a hypothetical 1-percentage-point increase in interest rates would have increased net interest expense by $0.1 million and a hypothetical 1-percentage-point decrease in interest rates would have decreased net interest expense by $0.1 million in the first nine months of fiscal 2019.

Foreign Currency Risk

We have operations in several foreign countries and conduct business in the local currency in these countries. As a result, we have risk associated with currency fluctuations as the value of foreign currencies fluctuates against the dollar, in particular the British Pound, Euro, Canadian Dollar and Indian Rupee. These fluctuations impact reported earnings.

Fluctuations in currency exchange rates also impact the U.S. dollar amount of our net investment in foreign operations. The assets and liabilities of our foreign subsidiaries are translated into U.S. dollars at the exchange rates in effect on the fiscal period balance sheet date. Income and expenses accounts are translated at an average exchange rate during the year which approximates the rates in effect on the transaction dates. The resulting translation adjustments are recorded in stockholders’ equity as a component of Accumulated other comprehensive loss. The U.S. dollar strengthened relative to many foreign currencies as of July 28, 2019 compared to October 28, 2018. Consequently, stockholders’ equity decreased $0.6 million as a result of the foreign currency translation as of July 28, 2019.

Based upon the current levels of net foreign assets, a hypothetical 10% devaluation of the U.S. dollar as compared to these currencies as of July 28, 2019 would result in an approximate $1.1 million positive translation adjustment recorded in Accumulated other comprehensive loss within stockholders’ equity. Conversely, a hypothetical 10% appreciation of the U.S. dollar as compared to these currencies as of July 28, 2019 would result in an approximate $1.1 million negative translation adjustment recorded in Accumulated other comprehensive loss within stockholders’ equity. We do not use derivative instruments for trading or other speculative purposes.

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

Volt maintains “disclosure controls and procedures,” as such term is defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 (the “Exchange Act”), which are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, Volt’s management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and Volt’s management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Volt has carried out an evaluation, as of the end of the period covered by this report, under the supervision and with the participation of Volt’s management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of Volt’s disclosure controls and procedures. Based upon their evaluation and subject to the foregoing, the Chief Executive Officer and Chief Financial Officer concluded that Volt’s disclosure controls and procedures were effective.

There have been no significant changes in Volt’s internal controls over financial reporting that occurred during the fiscal quarter ended July 28, 2019 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company is subject to claims and legal proceedings arising in the ordinary course of its business, including payroll-related and various employment-related matters. All litigation currently pending against the Company relates to matters that have arisen in the ordinary course of business and the Company believes that such matters will not have a material adverse effect on its consolidated financial condition, results of operations or cash flows.

Since our 2018 Form 10-K, there have been no material developments in the material legal proceedings in which we are involved.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in the 2018 Form 10-K, which could materially affect the Company's business, financial position and results of operations. There are no material changes from the risk factors set forth in Part I, "Item 1A. Risk Factors" in the 2018 Form 10-K.

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

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

The following exhibits are filed as part of, or incorporated by reference into, this report:

Exhibits	Description
3.1	Restated Certificate of Incorporation of the Company, as amended (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 3, 2015 filed June 10, 2015; File No. 001-09232)
3.2	Amended and Restated By-Laws of the Company, as amended through September 7, 2017 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed September 12, 2017; File No. 001-9232)
10.1	2019 Equity Incentive Plan (incorporated by reference to Appendix A to the Company's Proxy Statement filed February 22, 2019; File No. 001-9232)
10.2	Volt Information Sciences, Inc. Form of Performance Stock Unit Award Agreement
10.3	Volt Information Sciences, Inc. Form of Restricted Stock Unit Award Agreement
10.4	Volt Information Sciences, Inc. Form of Director Restricted Stock Unit Award Agreement
10.5	Volt Information Sciences, Inc. Form of Director Deferred Restricted Stock Unit Award Agreement
10.6	Amended and Restated Employment Agreement by and between Volt Information Sciences, Inc. and Lori M. Schultz, dated as of June 25, 2019 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 27, 2019; File No. 001-9232)

Exhibits	Description
10.7	Amended and Restated Receivables Loan and Security Agreement, dated as of July 19, 2019, by and among Volt Funding II, LLC, as borrower, Volt Information Sciences, Inc., as servicer, the lenders and letter of credit participants party thereto from time to time, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as agent, and Autobahn Funding Company LLC and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as letter of credit issuers (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 24, 2019; File No. 001-9232)
10.8	Amended and Restated Receivables Purchase and Sale Agreement, dated as of July 19, 2019, among Volt Management Corp. and P/S Partner Solutions, Ltd., as originators, Volt Information Sciences, Inc. and Volt Funding II, LLC, as buyer (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed July 24, 2019; File No. 001-9232)
10.9	Receivables Purchase and Sale Agreement, dated as of July 19, 2019, among Volt Consulting Group Limited and Volt Europe Limited, as originators, Volt Information Sciences, Inc. and Volt Funding II, LLC, as buyer (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed July 24, 2019; File No. 001-9232)
10.10	Amended and Restated Limited Guaranty, dated as of July 19, 2019, by Volt Information Sciences, Inc. in favor of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as agent (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed July 24, 2019; File No. 001-9232)
10.11	Employment Agreement by and between Volt Information Sciences, Inc. and Herbert M. Mueller, effective as of August 24, 2019 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 14, 2019; File No. 001-9232)
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
32.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350
32.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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, thereunto duly authorized.

VOLT INFORMATION SCIENCES, INC.

Date: September 5, 2019	By:	/s/ Linda Perneau
		Linda Perneau
		President and Chief Executive Officer (Principal Executive Officer)
Date: September 5, 2019	By:	/s/ Herbert M. Mueller
		Herbert M. Mueller
		Senior Vice President and Chief Financial Officer (Principal Financial Officer)
Date: September 5, 2019	By:	/s/ Leonard Naujokas
		Leonard Naujokas
		Controller and Chief Accounting Officer (Principal Accounting Officer)

PERFORMANCE STOCK UNIT AWARD AGREEMENT

VOLT INFORMATION SCIENCES, INC.
2019 Equity Incentive Plan

This PERFORMANCE STOCK UNIT AWARD AGREEMENT (this "Agreement"), is made as of June 14, 2019 (the "Grant Date") between Volt Information Sciences, Inc., a New York corporation (the "Company"), and ________ (the "Participant"), and is made pursuant to the terms of the Company's 2019 Equity Incentive Plan (the "Plan"). Capitalized terms used herein but not defined shall have the meanings set forth in the Plan.

Section 1. Performance Stock Units. The Company hereby issues to the Participant, as of the Grant Date, ____ performance stock units (the "PSUs", and each, a "PSU"), subject to such vesting, transfer and other restrictions and conditions as set forth in this Agreement and the Performance Matrix (as defined below). Each PSU represents the right to receive one Share, subject to the terms and conditions set forth in this Agreement, the Performance Matrix and the Plan. The Participant's target-level award with respect to each Performance Period (as defined below) is equal to $1/3^{rd}$ of the total PSUs granted under this Agreement (each $1/3^{rd}$ portion, a "Target Award"). For each Performance Period, the Participant is eligible to vest in up to 150% of the Target Award; and in no event will the total number of PSUs eligible to vest under this Agreement exceed 150% of the total number of PSUs granted above.

Section 2. Vesting Requirements.

(a) Generally. The Participant's right to receive all or any portion of the PSUs granted hereunder is contingent upon (i) the Company's achievement of the performance goal (the "Adjusted EBITDA Margin Goal") specified in the performance matrix attached as Exhibit A to this Agreement (the "Performance Matrix"), measured at the end of each "Performance Period" indicated in the Performance Matrix, and (ii) the Participant remaining in continuous Service (as defined below) through the applicable Vesting Date (as defined below).

As soon as reasonably practicable, but in no event later than 90 days following the end of the applicable Performance Period, the Company shall determine whether and to what extent any PSUs have been earned for such Performance Period and the actual Payout Percentage (as defined in the Performance Matrix) for such period (the actual date of the Company's determination, the "Annual Performance Determination Date"). On the Annual Performance Determination Date, any PSUs underlying the applicable Target Award which are determined to be earned in accordance with the immediately preceding sentence shall be deemed "Eligible Units", and any PSUs underlying the applicable Target Award that are deemed not to be earned shall be forfeited and cancelled (and the Participant shall not be entitled to any compensation or other amounts with respect thereto). The Company's determination of the foregoing shall be final and binding on the Participant. The vesting of any Eligible Units shall be subject to the Participant's continuous service with the Company or its Affiliates ("Service") from the Grant Date through the applicable Vesting Date. Except where provided otherwise in this Agreement, the "Vesting Date" means the June 14^{th} that immediately follows the Annual Performance Determination Date to which the applicable Eligible Units relate.

(b) Terminations of Service. Except as otherwise provided in Section 2(d) below, upon the occurrence of a termination of the Participant's Service for any reason, all outstanding and unvested PSUs (including any Eligible Units) shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount in respect thereof.

(c) Change in Control.

(1) No Replacement PSUs Provided. Notwithstanding anything in the Plan to the contrary, if upon a Change in Control the Participant does not receive a Replacement Award in respect of the PSUs, then any PSUs that are unvested as of immediately prior to the Change in Control shall vest as of the effective date of the Change in Control based on "target" level achievement with respect to the applicable Adjusted EBITDA Margin Goal(s); provided, that any Eligible Units that have not yet vested and been settled as of the date of the Change in Control will vest based on the actual number of Eligible Units earned). With respect to any PSUs that vest as a result of the foregoing sentence, the "Vesting Date" as used in Section 3 of this Agreement shall mean the effective date of the Change in Control.

(2) Replacement PSUs Provided. If the Participant receives a Replacement Award in respect of the PSUs (which, for the avoidance of doubt, shall be based on the "target" number of PSUs, except that any Eligible Units that have not yet vested and been settled as of the date of the Change in Control shall be based on the actual number of Eligible Units earned) (the "Replacement PSUs"), then such Replacement PSUs will no longer be subject to any Adjusted EBITDA Margin Goal(s) and shall vest solely on the passage of time in accordance with the original vesting schedule, and will otherwise continue to be subject to the terms of the Plan and this Agreement.

(3) Involuntary Termination following a Change in Control. If a Participant incurs an Involuntary Termination of Service on or prior to the second anniversary of a Change in Control, then any Replacement PSUs that are unvested as of immediately prior to such termination shall become fully vested as of the date of such Involuntary Termination. With respect to any Replacement PSUs that vest as a result of the foregoing sentence, the "Vesting Date" as used in Section 3 of this Agreement shall mean the effective date of the Participant's Involuntary Termination.

Section 3. Settlement. As soon as reasonably practicable following the applicable Vesting Date (and in any event, within 10 days following the applicable Vesting Date), the applicable number of PSUs that are vested and non-forfeitable shall be settled by the Company's delivery to the Participant of a number of Shares equal to the number of PSUs that vested in accordance with this Agreement.

Section 4. Restrictions on Transfer. No PSUs (nor any interest therein) may be sold, assigned, alienated, pledged, attached or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, alienation, pledge, attachment, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute a sale, assignment, alienation, pledge, attachment, transfer or encumbrance. Notwithstanding the foregoing, at the discretion of the Committee, PSUs may be transferred by the Participant solely to the Participant's spouse, siblings, parents, children and grandchildren or trusts for the benefit of such persons or partnerships, corporations, limited liability companies or other entities owned solely by such persons, including, but not limited to, trusts for such persons.

Section 5. Investment Representation. The Participant is acquiring the PSUs for investment purposes only and not with a view to, or in connection with, the public distribution thereof in violation of the Securities Act of 1933, as amended (the "Securities Act"). No Shares shall be acquired unless and until the Company and/or the Participant shall have complied with all applicable federal or state registration, listing and/or qualification requirements and all other requirements of law or of any regulatory agencies having jurisdiction, unless the Committee has received evidence satisfactory to it that the Participant may acquire such Shares pursuant to an exemption from registration under the applicable securities laws. The Participant understands and agrees that none of the PSUs and none of the Shares issued in respect thereof (if any), may be offered, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of except in compliance with this Agreement and the Securities Act pursuant to an effective registration statement or applicable exemption from the registration requirements of the Securities Act and applicable state securities or "blue sky" laws. Notwithstanding anything herein to the contrary, the Company shall have no obligation to deliver any Shares hereunder or make any other distribution of benefits hereunder unless such delivery or distribution would comply with all applicable laws (including, without limitation, the Securities Act), and the applicable requirements of any securities exchange or similar entity.

Section 6. Adjustments. The PSUs granted hereunder shall be subject to adjustment as provided in Section 4(b) of the Plan.

Section 7. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continued Service.

Section 8. Tax Withholding. This Agreement and the PSUs shall be subject to tax and/or other withholding in accordance with Section 16(e) of the Plan.

Section 9. No Rights as a Stockholder; Dividends. The Participant shall not have any privileges of a stockholder of the Company with respect to any PSUs, including without limitation any right to vote any Shares potentially issuable in respect of such PSUs or to receive dividends or other distributions in respect thereof, unless and until Shares have actually been delivered to the Participant in respect of such PSUs in accordance with Section 3 of this Agreement. Notwithstanding the foregoing, any dividends payable with respect to the PSUs during the period from the Grant Date through the date the applicable PSUs are settled in accordance with Section 3 hereof will accumulate in cash and be payable to the Participant on a deferred basis, but only to the extent that the PSUs vest in accordance with the Performance Matrix and Section 2 hereof. In no event shall the Participant be entitled to any payments relating to dividends paid after the earlier to occur of the settlement or forfeiture of the applicable PSUs and, for the avoidance of doubt, all accumulated dividends shall be forfeited immediately upon the forfeiture or cancellation of the PSUs or applicable portion thereof.

Section 10. Clawback. The PSUs will be subject to recoupment in accordance with any existing clawback policy or clawback policy that the Company may be required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as may otherwise be required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired cash or property upon the occurrence of Cause. The implementation of any clawback policy will not be deemed a triggering event for purposes of any definition of "good reason" for resignation or "constructive termination."

Section 11. Amendment and Termination. Subject to the terms of the Plan, any amendment to this Agreement shall be in writing and signed by the parties hereto. Notwithstanding the immediately-preceding sentence, subject to the terms of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, this Agreement and/or the PSUs; provided that, subject to the terms of the Plan, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially impair the rights of the Participant or any holder or beneficiary of the PSUs shall not be effective without the written consent of the Participant, holder or beneficiary.

Section 12. Construction. The PSUs granted hereunder is granted by the Company pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. The Participant hereby acknowledges that a copy of the Plan has been delivered to the Participant and accepts the PSUs hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon the Participant.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, without giving effect to the choice of law principles thereof.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 15. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 16. Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Grant Date.

VOLT INFORMATION SCIENCES, INC.

By: __
Nancy Avedissian
Senior Vice President, General Counsel & Corporate Secretary

PARTICIPANT:

Participant's Signature

Name: __

Address: __

____

RESTRICTED STOCK UNIT AWARD AGREEMENT

VOLT INFORMATION SCIENCES, INC.
2019 Equity Incentive Plan

This RESTRICTED STOCK UNIT AWARD AGREEMENT (this "Agreement"), is made as of June 14, 2019 (the "Grant Date") between Volt Information Sciences, Inc., a New York corporation (the "Company"), and ______ (the "Participant"), and is made pursuant to the terms of the Company's 2019 Equity Incentive Plan (the "Plan"). Capitalized terms used herein but not defined shall have the meanings set forth in the Plan.

Section 1. Restricted Stock Units. The Company hereby issues to the Participant, as of the Grant Date, ____ restricted stock units (the "Units", and each, a "Unit"), subject to such vesting, transfer and other restrictions and conditions as set forth in this Agreement. Each Unit represents the right to receive one Share, subject to the terms and conditions set forth in this Agreement and the Plan.

Section 2. Vesting Requirements.

(a) Generally. Except as otherwise provided herein, the Units shall vest ratably over three years on each of the first three anniversaries of the Grant Date (each, a "Vesting Date"), subject to the Participant's continuous service with the Company or its Affiliates ("Service") from the Grant Date through the applicable Vesting Date.

(b) Terminations of Service. Except as otherwise provided in Section 2(c) below, upon the occurrence of a termination of the Participant's Service for any reason, all outstanding and unvested Units shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount in respect thereof.

(c) Change in Control.

(1) No Replacement Units. Notwithstanding anything in the Plan to the contrary, if upon a Change in Control the Participant does not receive a Replacement Award in respect of the Units, then any Units that are unvested as of immediately prior to the Change in Control shall vest as of the effective date of the Change in Control. With respect to any Units that vest as a result of the foregoing sentence, the "Vesting Date" as used in this Agreement shall mean the effective date of the Change in Control.

(2) Replacement Units. If the Participant receives a Replacement Award in respect of the Units (the "Replacement Units"), then such Replacement Units shall continue to vest in accordance with the vesting schedule set forth in Section 2(a) above and continue to be subject to the terms of the Plan and this Agreement.

(3) Involuntary Termination following a Change in Control. If a Participant incurs an Involuntary Termination of Service on or prior to the second anniversary of the closing of a Change in Control, any Replacement Units that are unvested as of immediately prior to the Participant's Involuntary Termination shall vest as of the effective date of such Involuntary Termination. With respect to any Replacement Units that vest as a result of the foregoing sentence, the "Vesting Date" as used in this Agreement shall mean the effective date of the Participant's Involuntary Termination.

Section 3. Settlement. As soon as reasonably practicable following the applicable Vesting Date (and in any event, within 10 days following the applicable Vesting Date), any Units that become vested and non-forfeitable shall be settled by the Company's delivery to the Participant of a number of Shares equal to the Units vesting in accordance with Section 2.

Section 4. Restrictions on Transfer. No Units (nor any interest therein) may be sold, assigned, alienated, pledged, attached or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, alienation, pledge, attachment, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute a sale, assignment, alienation, pledge, attachment, transfer or encumbrance. Notwithstanding the foregoing, at the discretion of the Committee, Units may be transferred by the Participant solely to the Participant's spouse, siblings, parents, children and grandchildren or trusts for the benefit of such persons or partnerships, corporations, limited liability companies or other entities owned solely by such persons, including, but not limited to, trusts for such persons.

Section 5. Investment Representation. The Participant is acquiring the Units for investment purposes only and not with a view to, or in connection with, the public distribution thereof in violation of the Securities Act of 1933, as amended (the "Securities Act"). No Shares shall be acquired unless and until the Company and/or the Participant shall have complied with all applicable federal or state registration, listing and/or qualification requirements and all other requirements of law or of any regulatory agencies having jurisdiction, unless the Committee has received evidence satisfactory to it that the Participant may acquire such Shares pursuant to an exemption from registration under the applicable securities laws. The Participant understands and agrees that none of the Units and none of the Shares issued in respect thereof (if any), may be offered, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of except in compliance with this Agreement and the Securities Act pursuant to an effective registration statement or applicable exemption from the registration requirements of the Securities Act and applicable state securities or "blue sky" laws. Notwithstanding anything herein to the contrary, the Company shall have no obligation to deliver any Shares hereunder or make any other distribution of benefits hereunder unless such delivery or distribution would comply with all applicable laws (including, without limitation, the Securities Act), and the applicable requirements of any securities exchange or similar entity.

Section 6. Adjustments. The Units granted hereunder shall be subject to adjustment as provided in Section 4(b) of the Plan.

Section 7. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continued Service.

Section 8. Tax Withholding. This Agreement and the Units shall be subject to tax and/or other withholding in accordance with Section 16(e) of the Plan.

Section 9. No Rights as a Stockholder; Dividends. The Participant shall not have any privileges of a stockholder of the Company with respect to any Units, including without limitation any right to vote any Shares potentially issuable in respect of such Units or to receive dividends or other distributions in respect thereof, unless and until Shares have actually been delivered to the Participant in respect of such Units in accordance with Section 3(b) of this Agreement. Notwithstanding the foregoing, any dividends payable with respect to the Units during the period from the Grant Date through the date the applicable Units are settled in accordance with Section 3 hereof will accumulate in cash and be payable to the Participant on a deferred basis, but only to the extent that the Units vests in accordance with Section 2 hereof. In no event shall the Participant be entitled to any payments relating to dividends paid after the earlier to occur of the settlement or forfeiture of the applicable Units and, for the avoidance of doubt, all accumulated dividends shall be forfeited immediately upon the forfeiture or cancellation of the Units or applicable portion thereof.

Section 10. Clawback. The Units will be subject to recoupment in accordance with any existing clawback policy or clawback policy that the Company may be required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as may otherwise be required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired cash or property upon the occurrence of Cause. The implementation of any clawback policy will not be deemed a triggering event for purposes of any definition of "good reason" for resignation or "constructive termination."

Section 11. Amendment and Termination. Subject to the terms of the Plan, any amendment to this Agreement shall be in writing and signed by the parties hereto. Notwithstanding the immediately-preceding sentence, subject to the terms of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, this Agreement and/or the Units; provided that, subject to the terms of the Plan, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially impair the rights of the Participant or any holder or beneficiary of the Units shall not be effective without the written consent of the Participant, holder or beneficiary.

Section 12. Construction. The Units granted hereunder is granted by the Company pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. The Participant hereby acknowledges that a copy of the Plan has been delivered to the Participant and accepts the Units hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon the Participant.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, without giving effect to the choice of law principles thereof.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 15. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 16. Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Grant Date.

VOLT INFORMATION SCIENCES, INC.

By: __

Nancy Avedissian
Senior Vice President, General Counsel & Corporate Secretary

PARTICIPANT:

Participant's Signature

Name: __

Address: __

____

DIRECTOR RESTRICTED STOCK UNIT AWARD AGREEMENT

VOLT INFORMATION SCIENCES, INC.
2019 Equity Incentive Plan

This DIRECTOR RESTRICTED STOCK UNIT AWARD AGREEMENT (this " Agreement"), is granted as of June 14, 2019 (the "Grant Date") between Volt Information Sciences, Inc., a New York corporation (the " Company"), and _____ (the "Participant"), and is made pursuant to the terms of the Company's 2019 Equity Incentive Plan (as amended from time to time, the "Plan"). Capitalized terms used herein but not defined shall have the meanings set forth in the Plan.

Section 1. Restricted Stock Units. The Company hereby issues to the Participant, as of the Grant Date, ______ restricted stock units (the "RSUs", and each, an "RSU"), subject to such vesting, transfer and other restrictions and conditions set forth in this Agreement (the "Award"). Each RSU represents the right to receive one Share, subject to the terms and conditions set forth in this Agreement and the Plan.

Section 2. Vesting Requirements.

(a) Generally. Except as otherwise provided herein, 100% of the RSUs shall vest on the first anniversary of the Grant Date (such date, the "Vesting Date"), subject to the Participant's continuous service as a director of the Company ("Service") from the Grant Date through the Vesting Date.

(b) Terminations of Service. Upon the occurrence of a termination of the Participant's Service for any reason (other than for Cause), the Participant shall vest in a number of RSUs equal to the total number of RSUs granted under this Agreement multiplied by a fraction, the numerator of which is the number of days of the Participant's Service from May 1, 2019 through the first day of the month in which the termination of Service occurs, and the denominator of which is 365. Any RSUs that do not vest as a result of the foregoing shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount in respect thereof.

(c) Change in Control. Upon a Change in Control that occurs prior to the Vesting Date, the vesting of RSUs shall be treated in accordance with Section 13 of the Plan.

Section 3. Settlement.

(a) Generally. As soon as reasonably practicable following the Vesting Date (and in any event, within 10 days following the Vesting Date), any RSUs that become vested and non-forfeitable shall be settled by the Company's delivery to the Participant of a number of Shares equal to the RSUs vesting.

Section 4. Restrictions on Transfer. No RSUs (nor any interest therein) may be sold, assigned, alienated, pledged, attached or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, alienation, pledge, attachment, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute a sale, assignment, alienation, pledge, attachment, transfer or encumbrance. Notwithstanding the foregoing, at the discretion of the Committee, RSUs may be transferred by the Participant in accordance with the Plan.

Section 5. Investment Representation. The Participant is acquiring the RSUs for investment purposes only and not with a view to, or in connection with, the public distribution thereof in violation of the Securities Act of 1933, as amended (the "Securities Act"). No Shares shall be acquired unless and until the Company and/or the Participant shall have complied with all applicable federal or state registration, listing and/or qualification requirements and all other requirements of law or of any regulatory agencies having jurisdiction, unless the Committee has received evidence satisfactory to it that the Participant may acquire such Shares pursuant to an exemption from registration under the applicable securities laws. The Participant understands and agrees that none of the RSUs, nor any Shares issued in respect thereof (if any), may be offered, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of except in compliance with this Agreement and the Securities Act pursuant to an effective registration statement or applicable exemption from the registration requirements of the Securities Act and applicable state securities or "blue sky" laws. Notwithstanding anything herein to the contrary, the Company shall have no obligation to deliver any Shares hereunder or make any other distribution of benefits hereunder unless such delivery or distribution would comply with all applicable laws (including, without limitation, the Securities Act), and the applicable requirements of any securities exchange or similar entity.

Section 6. Adjustments. The Award granted hereunder shall be subject to adjustment as provided in Section 4(b) of the Plan.

Section 7. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continued service with the Company or its Affiliates.

Section 8. No Rights as a Stockholder; Dividends. The Participant shall not have any privileges of a stockholder of the Company with respect to any RSUs, including without limitation any right to vote any Shares potentially issuable in respect of such RSUs or to receive dividends or other distributions in respect thereof, unless and until Shares underlying the RSUs are delivered to the Participant in accordance with this Agreement. Notwithstanding the foregoing, any dividends payable with respect to the RSUs underlying the Award during the period from the Grant Date through the date the applicable RSUs are settled in accordance with this Agreement will accumulate and be paid on a deferred basis, so long as such RSUs have vested and have been settled in accordance with Section 2 of this Agreement. In no event shall the Participant be entitled to any payments relating to dividends paid after the earlier to occur of the settlement or forfeiture of the applicable RSUs underlying the Award and, for the avoidance of doubt, all accumulated dividends shall be forfeited immediately upon the forfeiture or cancellation of the Award or applicable portion thereof.

Section 9. Clawback. The Award will be subject to recoupment in accordance with any existing clawback policy or clawback policy that the Company may be required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as may otherwise be required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Shares or other cash or property upon the occurrence of Cause. The implementation of any clawback policy will not be deemed a triggering event for purposes of any definition of "good reason" for resignation or "constructive termination."

Section 10. Taxes. The Participant acknowledges and agrees that the Participant is not an employee of the Company and that, as an independent contractor, the Participant will be required to pay (and the Company will not withhold or remit) any applicable taxes in connection with this Award.

Section 11. Amendment and Termination. Subject to the terms of the Plan, any amendment to this Agreement shall be in writing and signed by the parties hereto. Notwithstanding the immediately-preceding sentence, subject to the terms of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, this Agreement and/or the Award; provided that, subject to the terms of the Plan, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially impair the rights of the Participant or any holder or beneficiary of the Award shall not be effective without the written consent of the Participant, holder or beneficiary.

Section 12. Construction. The Award granted hereunder is granted by the Company pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. The Participant hereby acknowledges that a copy of the Plan has been delivered to the Participant and accepts the Award hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon the Participant.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, without giving effect to the choice of law principles thereof.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 15. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 16. Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Grant Date.

VOLT INFORMATION SCIENCES, INC.

By: __

Nancy Avedissian
Senior Vice President, General Counsel & Corporate Secretary

PARTICIPANT:

Director's Signature

Name: __

Address: __

DIRECTOR DEFERRED RESTRICTED STOCK UNIT AWARD AGREEMENT

VOLT INFORMATION SCIENCES, INC.
2019 Equity Incentive Plan

This DIRECTOR DEFERRED RESTRICTED STOCK UNIT AWARD AGREEMENT (this " Agreement"), is granted as of June 14, 2019 (the "Grant Date") between Volt Information Sciences, Inc., a New York corporation (the " Company"), and _____ (the "Participant"), and is made pursuant to the terms of the Company's 2019 Equity Incentive Plan (as amended from time to time, the "Plan"). Capitalized terms used herein but not defined shall have the meanings set forth in the Plan.

Section 1. Restricted Stock Units. The Company hereby issues to the Participant, as of the Grant Date, ______ restricted stock units (the "RSUs", and each, an "RSU"), subject to such vesting, transfer and other restrictions and conditions set forth in this Agreement (the "Award"). Each RSU represents the right to receive one Share, subject to the terms and conditions set forth in this Agreement, the Plan and the Company's Deferred Compensation and Supplemental Savings Plan (the "DCP").

Section 2. Vesting Requirements.

(a) Generally. Except as otherwise provided herein, 100% of the RSUs shall vest on the first anniversary of the Grant Date (such date, the "Vesting Date"), subject to the Participant's continuous service as a director of the Company ("Service") from the Grant Date through the Vesting Date.

(b) Terminations of Service. Upon the occurrence of a termination of the Participant's Service for any reason (other than for Cause), the Participant shall vest in a number of RSUs equal to the total number of RSUs granted under this Agreement multiplied by a fraction, the numerator of which is the number of days of the Participant's Service from May 1, 2019 through the first day of the month in which the termination of Service occurs, and the denominator of which is 365. Any RSUs that do not vest as a result of the foregoing shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount in respect thereof.

(c) Change in Control. Upon a Change in Control that occurs prior to the Vesting Date, the vesting of RSUs shall be treated in accordance with Section 13 of the Plan (but the settlement of such RSUs shall, in all cases, be subject to, and administered in accordance with, the DCP).

Section 3. Settlement.

(a) Generally. Once vested, the RSUs shall be settled in accordance with the terms of the valid deferral election made by the Participant with respect to the RSUs under the DCP, in accordance with the terms and conditions of the DCP.

(b) Settlement Subject to the Terms of the DCP. Notwithstanding anything herein to the contrary, all RSUs shall be settled by the Company in accordance with, and subject to, the terms and conditions of the DCP.

Section 4. Restrictions on Transfer. No RSUs (nor any interest therein) may be sold, assigned, alienated, pledged, attached or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported sale, assignment, alienation, pledge, attachment, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute a sale, assignment, alienation, pledge, attachment, transfer or encumbrance. Notwithstanding the foregoing, at the discretion of the Committee, RSUs may be transferred by the Participant in accordance with the DCP and the Plan.

Section 5. Investment Representation. The Participant is acquiring the RSUs for investment purposes only and not with a view to, or in connection with, the public distribution thereof in violation of the Securities Act of 1933, as amended (the "Securities Act"). No Shares shall be acquired unless and until the Company and/or the Participant shall have complied with all applicable federal or state registration, listing and/or qualification requirements and all other requirements of law or of any regulatory agencies having jurisdiction, unless the Committee has received evidence satisfactory to it that the Participant may acquire such Shares pursuant to an exemption from registration under the applicable securities laws. The Participant understands and agrees that none of the RSUs, and any Shares issued in respect thereof (if any), may be offered, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of except in compliance with this Agreement and the Securities Act pursuant to an effective registration statement or applicable exemption from the registration requirements of the Securities Act and applicable state securities or "blue sky" laws. Notwithstanding anything herein to the contrary, the Company shall have no obligation to deliver any Shares hereunder or make any other distribution of benefits hereunder unless such delivery or distribution would comply with all applicable laws (including, without limitation, the Securities Act), and the applicable requirements of any securities exchange or similar entity.

Section 6. Adjustments. The Award granted hereunder shall be subject to adjustment as provided in Section 4(b) of the Plan.

Section 7. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continued service with the Company or its Affiliates.

Section 8. No Rights as a Stockholder; Dividends. The Participant shall not have any privileges of a stockholder of the Company with respect to any RSUs, including without limitation any right to vote any Shares potentially issuable in respect of such RSUs or to receive dividends or other distributions in respect thereof, unless and until Shares underlying the RSUs are delivered to the Participant in accordance with the DCP. Notwithstanding the foregoing, any dividends payable with respect to the RSUs underlying the Award during the period from the Grant Date through the date the applicable RSUs are settled in accordance with the DCP will accumulate and be paid on a deferred basis in accordance with the DCP, so long as such RSUs have vested and have been settled in accordance with Section 2 of this Agreement. In no event shall the Participant be entitled to any payments relating to dividends paid after the earlier to occur of the settlement or forfeiture of the applicable RSUs underlying the Award and, for the avoidance of doubt, all accumulated dividends shall be forfeited immediately upon the forfeiture or cancellation of the Award or applicable portion thereof.

Section 9. Clawback. The Award will be subject to recoupment in accordance with any existing clawback policy or clawback policy that the Company may be required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as may otherwise be required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Shares or other cash or property upon the occurrence of Cause. The implementation of any clawback policy will not be deemed a triggering event for purposes of any definition of "good reason" for resignation or "constructive termination."

Section 10. Taxes. The Participant acknowledges and agrees that the Participant is not an employee of the Company and that, as an independent contractor, the Participant will be required to pay (and the Company will not withhold or remit) any applicable taxes in connection with this Award.

Section 11. Amendment and Termination. Subject to the terms of the Plan, any amendment to this Agreement shall be in writing and signed by the parties hereto. Notwithstanding the immediately-preceding sentence, subject to the terms of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, this Agreement and/or the Award; provided that, subject to the terms of the Plan, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially impair the rights of the Participant or any holder or beneficiary of the Award shall not be effective without the written consent of the Participant, holder or beneficiary.

Section 12. Construction. The Award granted hereunder is granted by the Company pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan and the DCP. The Participant hereby acknowledges that a copy of the Plan has been delivered to the Participant and accepts the Award hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon the Participant.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, without giving effect to the choice of law principles thereof.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 15. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 16. Section 409A. This Award is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, or an exemption thereunder, and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of the Plan, the DCP or this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A shall be excluded from Section 409A to the maximum extent possible. The RSUs granted hereunder shall be subject to the provisions of Section 17 of the Plan. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall the Company or any of its affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Participant on account of non-compliance with Section 409A or otherwise.

Section 17. Entire Agreement. This Agreement, the DCP and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Grant Date.

VOLT INFORMATION SCIENCES, INC.

By: __

Nancy Avedissian
Senior Vice President, General Counsel & Corporate Secretary

PARTICIPANT:

Participant's Signature

Name: __

Address: __

____

Exhibit 31.1

CERTIFICATION
PURSUANT TO EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Linda Perneau, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Volt Information Sciences, Inc.

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: September 5, 2019

By: /s/ Linda Perneau

Linda Perneau
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION
PURSUANT TO EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Herbert M. Mueller, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Volt Information Sciences, Inc.

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: September 5, 2019

By: /s/ Herbert M. Mueller

Herbert M. Mueller
Senior Vice President and
Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of Volt Information Sciences, Inc. (the “Company”) on Form 10-Q for the quarter ended July 28, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Linda Perneau, Chief Executive Officer of the Company, certify that to my knowledge:

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

Date: September 5, 2019	By:	/s/ Linda Perneau
		Linda Perneau
		President and Chief 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 Volt Information Sciences, Inc. and will be retained by Volt Information Sciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

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

In connection with the Quarterly Report of Volt Information Sciences, Inc. (the “Company”) on Form 10-Q for the quarter ended July 28, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Herbert M. Mueller, Chief Financial Officer of the Company, certify that to my knowledge:

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

Date: September 5, 2019	By:	/s/ Herbert M. Mueller
		Herbert M. Mueller
		Senior Vice President and Chief 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 Volt Information Sciences, Inc. and will be retained by Volt Information Sciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.