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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended October 31, 2021

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OF 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.)*
2401 N. Glassell Street, Orange, California	**92865**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code:
(714) 921-8800

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 $0.10 Par Value	**VOLT**	**NYSE American**

Securities Registered Pursuant to Section 12(g) of the Act:

(Title of class)

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§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", "non-accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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

As of May 2, 2021, there were 21,736,575 shares of common stock outstanding. The aggregate market value of the voting and non-voting common stock held by non-affiliates as of May 2, 2021 was $74,551,244, calculated by using the closing price of the common stock on such date on the NYSE AMERICAN market of $3.97.

As of January 7, 2022, there were22,099,246 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement to be filed for its 2022 Annual Meeting of Shareholders are incorporated by reference into Part III of this report to the extent stated herein.

VOLT INFORMATION SCIENCES, INC.
ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED OCTOBER 31, 2021

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this report are "forward-looking" statements within the meaning of that term in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements include statements that reflect the current views of our senior management with respect to our financial performance and future events of our business and industry in general. The terms "expect," "intend," "plan," "believe," "project," "forecast," "estimate," "may," "should," "anticipate" and similar statements of a future or forward-looking nature identify forward-looking statements. Forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements. We believe that these factors include, but are not limited to, the following:

- cyber-attacks or the improper disclosure of sensitive or confidential employee or customer data;
- significant exposure to employment related claims and losses;
- failure to maintain adequate levels of working capital;
- vulnerability of information technology systems to damage and/or interruption;
- global public health epidemics, including the strain of coronavirus known as COVID-19 ("COVID-19");
- ability to fulfill customer requirements may be impeded by a scarcity of talent in the current labor markets as well as by potential impact of future vaccine mandates;
- rising labor costs may reduce our contribution margins and impact our operating results if we are not able to pass these costs on to our customers;
- the loss of major customers;
- turmoil in the financial markets or the inability to fully utilize our credit facility;
- failure to keep pace with rapid changes in technology;
- failure or inability to comply with financial covenants;
- inability to retain acceptable insurance coverage limits at a commercially reasonable cost and terms;
- unexpected changes in workers' compensation and other insurance plans;
- contracts with no minimum purchase requirements, or cancellable during the term or both;
- volatility of stock price and related ability of investors to resell their shares at or above the purchase price;
- significant percentage of common stock owned by certain shareholders and their ability to exercise significant influence over the Company;
- potential proxy contest for the election of directors at our annual meeting; and
- New York State law and our Articles of Incorporation and By-laws contain provisions that could make a takeover of the Company more difficult.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this report, including under the caption "Risk Factors" in Item 1A of this report. There can be no assurance that we have correctly identified and appropriately assessed all factors affecting our business. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial also may adversely impact us. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Readers should not place undue reliance on any forward-looking statements contained in this report, which speak only as of the date of this report. We undertake no obligation to update any forward-looking statements after the date of this report to conform such statements to actual results or to changes in our expectations.

PART I

ITEM 1. *BUSINESS*

Volt Information Sciences, Inc. (the “Company” or “Volt”) is 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”) involve managing the procurement and on-boarding of contingent workers from multiple providers.

The Company was incorporated in New York in 1957. Unless the context otherwise requires, throughout this report, the words “Volt,” “the Company,” “we,” “us” and “our” refer to Volt Information Sciences, Inc. and its consolidated subsidiaries.

Geographic Regions and Segments

Volt operates in approximately 65 of its own locations and hasan on-site presence in over 60 customer locations. Approximately 87% of our revenue is generated in the United States where we have employees in nearly all 50 states. Our principal non-U.S. markets include Europe, Asia Pacific and Canada locations. Our global footprint enables us to deliver consistent quality to our large strategic customers that require an established international presence.

Our reportable segments are (i) North American Staffing, (ii) International Staffing and (iii) North American MSP. All other business activities that do not meet the criteria to be reportable segments are aggregated with corporate services under the category Corporate and Other. Our reportable segments have been determined in accordance with our internal management structure, which is based on operating activities. We evaluate business performance based upon several metrics, primarily using revenue and segment operating income as the relevant financial measures. We believe segment operating income provides management and investors a measure to analyze operating performance of each business segment against historical and competitors’ data, although historical results, including operating income, may not be indicative of future results as operating income is highly contingent on many factors including the state of the economy, competitive conditions and customer preferences.

We allocate all support-related costs to the operating segments except for costs not directly relating to our operating activities such as corporate-wide general and administrative costs. These costs are not allocated to individual operating segments because doing so would not enhance the understanding of segment operating performance and such costs are not used by management to measure segment performance.

We report our segment information in accordance with the provisions of the Financial Accounting Standards Board Accounting Standards Codification 280,*Segment Reporting* (“ASC 280”). See Note 18, “Segment Disclosures” for further information.

Description of the Reportable Segments and Corporate and Other Category

North American and International Staffing Segments

Our two staffing services segments provide workforce management expertise through locations in North America, Europe and Asia Pacific locations. We deliver a broad spectrum of contingent staffing, direct placement, staffing management and other employment services. Our contingent workers are placed on assignment with our customers in a broad range of occupations including manufacturing, assembly, warehousing, industrial, information technology, engineering, pharmaceutical, administrative, accounting and finance.

Our contingent staffing services are provided for varying periods of time to companies and other organizations (including government agencies) ranging from smaller retail accounts that may require ten or fewer contingent workers at a time to large strategic accounts that require as many as several thousand contingent workers at a time. Our large strategic accounts typically enter into longer term agreements with us resulting in lower direct margins compared to our retail accounts.

Within our staffing services segments, we refer to customers that require multi-location, coordinated account management and service delivery in multiple skill sets as strategic customers and to customers that are primarily in a single location with sales and delivery handled primarily from a geographically local team and with relatively few headcount on assignment in one or two skill sets as retail customers. We provide traditional staffing services for which we are paid predominantly on a time and materials basis. The contingent staff that we provide often work under the supervision of our customers.

Volt’s contingent staffing services enable customers to easily scale their workforce to meet changing business conditions, complete a specific project, secure the services of a specialist on an as-needed basis, substitute for regular employees during vacation or other temporary absences, staff high turnover positions, or meet seasonal peaks in workforce needs. When requested, we also provide Volt personnel at the customer's location to coordinate and manage the administration of contingent workers. Many customers rely on Volt's staffing services as a strategic element of their overall workforce, allowing them to more efficiently meet their fluctuating staffing requirements.

Contingent workers are recruited through proprietary internet recruiting sites, independent web-based job search companies and social networking talent communities through which we build and maintain proprietary databases of candidates from which we can fill current and future customer needs. The majority of contingent workers become Volt employees during the period of their assignment and we are responsible for the payment of wages, payroll taxes, workers' compensation insurance, unemployment insurance and other benefits. Customers will sometimes hire Volt's contingent workers as their own employees after a period of time, for which we usually receive a fee.

We also provide recruitment and direct placement services of specialists in the accounting, finance, administrative, call center, engineering, information technology, pharmaceutical, manufacturing, assembly and industrial support disciplines. These services are primarily provided on a contingency basis with fees earned only if our customers ultimately hire the candidates.

North American MSP Segment

Our North American MSP segment consists of managing the procurement and on-boarding of contingent workers and a broad range of specialized solutions that includes managing suppliers and providing sourcing and recruiting support, statement of work management, supplier performance measurement, optimization and analysis, benchmarking of spend demographics and market rate analysis, consolidated customer billing and supplier payment management. The workforce placed on assignment through our MSPs is usually provided by third-party staffing providers ("associate vendors") or through our own staffing services. In most cases, we are only required to pay associate vendors after we receive payment from our customer. Our staffing services businesses also act as a subcontractor or associate vendor to other national providers in their MSPs. Our MSPs are typically administered through the use of vendor management system software ("VMS") licensed from various VMS providers.

In addition, our North American MSP segment provides payroll service solutions as well as recruitment process outsourcing (RPO) for our customers. With our payroll service solution (also known as referred services), the customer refers an individual to us, we employ the individual and the individual works on an assignment for the customer at the customer's worksite. We manage and administer the individual's payroll, payroll taxes, workers' compensation and benefits.

Corporate and Other Category

Our Corporate and Other category consists of our corporate services and remote hire services business in India.

Our corporate services provide entity-wide general and administrative functions that support all of our segments.

Our remote hire services business in India provides skilled resources, technical infrastructure and management for various areas including back-office accounting and administration, as well as software development, engineering, web design, technical support, call center operations, sales and marketing, customer service and research.

Business Strategy

Strategic Priorities

We have built a leadership team of prominent staffing industry veterans to strengthen our global sales team with a focus on our sales strategy to enhance financial performance and build a foundation for sustainable growth. This strategy includes the following priorities:

- *Organizational Design* - To strengthen the focus on sales and delivery performance across a spectrum of service offerings for maximum competitive advantage, we formed the Specialty Solutions Group, Strategic Solutions Group and Global Solutions Group. This design allows Volt to steer its "go-to-market" strategy and performance based on a specialized job segment view as well as transform its delivery models to achieve dedicated focus, enhanced agility for customers' needs and low-cost delivery benefits.

- *Delivery Excellence* - Improve talent acquisition and delivery with a more focused, customized, agile delivery approach by integrating recruiting tools to increase our speed to match candidates and to mobilize data analytics to drive strategy around job postings and return on investments. This initiative will continue to evolve based on the needs of our clients and the expectations of candidates in the market.

- *Business Optimization* - Drive further efficiencies, productivity and cost savings by optimizing technology to drive performance through increased integration of available digital tools, reporting and processes and migrating from manual, customized processes to automated, standard processes. These enhancements have yielded meaningful cost savings, a portion of which has been re-invested into important recruiting and candidate acquisition resources.

- *Growth and Expansion* - Achieve revenue and margin growth with new and existing client relationships, through realigned sales and delivery efforts. We have re-established our sales culture by realigning the sales teams based upon client buying patterns with an emphasis on building client relationships. To further incentivize growth within the sales teams, we overhauled our bonus plans to align with a 'pay for performance' structure and we have introduced a higher level of visibility and accountability into the sales culture.

Customers

The Company serves multinational, national and local customers, providing staffing services (traditional time and materials-based as well as project-based) and managed service programs. The Company had no single customer that accounted for more than 10% of consolidated net revenue in fiscal 2021 or 2020. Our top 10 customers, which generally are not the same in each year, represented approximately 39% and 41% of revenue in fiscal 2021 and 2020, respectively. The loss of one or more of these customers, unless the business is replaced, could have an adverse effect on our results of operations or cash flows.

In fiscal 2021, the International Staffing segment's revenue included three customers which accounted for approximately 21%, 13% and 11% of the total revenue of that segment. The North American MSP segment's revenue included three customers which accounted for approximately 24%, 12% and 11% of the total revenue of that segment.

In fiscal 2020, the International Staffing segment's revenue included two customers which accounted for approximately 24% and 12% of the total revenue of that segment. The North American MSP segment's revenue included four customers which accounted for approximately 22%, 14%, 12% and 10% of the total revenue of that segment.

In fiscal 2021 and 2020, 87% and 88% of our total revenue, respectively, was from customers in the United States.

Competition

The markets for Volt's staffing services are highly competitive with few barriers to entry. The industry is large and fragmented, comprised of thousands of firms employing millions of people and generating billions of dollars in annual revenue. In most areas, no single company has a dominant share of the employment services market. The largest companies in the industry collectively represent less than half of all staffing services revenues and there are many smaller companies competing in varying degrees at local levels or in particular market sectors. Dominant leaders in the industry include Adecco, Allegis, Kelly Services, Inc., Manpower Group and Randstad.

In addition, there are numerous smaller local companies in the various geographic markets in which we operate. Companies in our industries primarily compete on price, service quality, new capabilities and technologies, marketing methods and speed of fulfilling assignments.

Intellectual Property

VOLT is the principal registered trademark for our brand in the United States. ARCTERN, REMOTEHIRE and VOLTSOURCE are other registered trademarks in the United States. The Company also owns and uses common law trademarks and service marks.

We also own copyrights and license technology from many providers. We rely on a combination of intellectual property rights in the United States and abroad to protect our brand and proprietary information.

Seasonality

Our staffing services revenue and operating income are typically lowest in our first fiscal quarter due to the holiday season and are affected by customer facility closures during the holidays (in some cases for up to two weeks) and closures caused by severe weather conditions. The demand for our staffing services typically increases during our third and fourth fiscal quarters when customers increase the use of our administrative and industrial labor during the summer vacation period. The first few months of the calendar year typically have the lowest margins as employer payroll tax contributions restart each year in January.

Margins typically increase in subsequent fiscal quarters as annual payroll tax contribution maximums are met, particularly for higher salaried employees.

Environmental, Social and Governance ("ESG") Matters

The Company recognizes the importance of ESG matters, with a specific focus on Human Capital Management, as integral to creating a sustainable foundation for our long-term business strategy. While the Nominating and Corporate Governance Committee of the Board of Directors holds primary responsibility for ESG oversight and guidance, our entire Board of Directors, composed of independent directors, is fully engaged in these efforts.

Human Capital Management

Volt operates on the fundamental philosophy that people are our most valuable asset as every person who works for us has the potential to impact our success as well as the success of our clients. As a staffing company, identifying quality talent is at the core of everything we do and our success is dependent upon our ability to attract, develop and retain highly qualified employees, both in-house and for our clients. The Company's core values of integrity, customer centric, ownership, innovation, empowerment, collaborative change and teamwork establish the foundation on which the culture is built and represent the key expectations we have of our employees. We believe our culture and commitment to our employees attract and retain our qualified talent, while simultaneously providing significant value to our Company and its shareholders.

Demographics

As of October 31, 2021, Volt employed approximately 15,400 people, including approximately 14,300 who were on contingent staffing assignments with our clients and the remainder as full-time in-house employees. Approximately 70% of the full-time in-house employees are located in North America and the remaining are within Asia Pacific and Europe. The workers on contingent staffing assignments are on our payroll for the length of their assignment with the client.

Diversity and Inclusion

Volt values building diverse teams, embracing different perspectives and fostering an inclusive, empowering work environment for our employees and clients. We have a long-standing commitment to equal employment opportunity as evidenced by the Company's EEO policy. Of our North American in-house employee population, approximately 70% are women and approximately 46% have self-identified as Hispanic or Latino, Native American, Pacific Islander, Asian, Black or African American, or of two or more races. As part of Volt's commitment to continued enhancements in this area, we launched our Expert Momentum Diversity and Inclusion Program. This program involved the creation of a task force made up of a group of employees from across the organization. The program has established initiatives to strengthen the promotion of workplace diversity for our employees and clients, to create a collaborative environment that promotes authenticity and a culture that celebrates our differences, and embraces a collaborative environment with unique experiences and diverse perspectives. The program's task force will enhance company-wide engagement on diversity and inclusion, provide education opportunities for our employees, help identify areas for improvement and monitor progress against these initiatives.

Compensation and Benefits

Critical to our success is identifying, recruiting, retaining, and incentivizing our existing and future employees. We strive to attract and retain the most talented employees in the staffing industry by offering competitive compensation and benefits. Our pay-for-performance compensation philosophy is based on rewarding each employee's individual contributions and striving to achieve equal pay for equal work regardless of gender, race or ethnicity. We use a combination of fixed and variable pay including base salary, bonus, commissions and merit increases which vary across the business. In addition, as part of our long-term incentive plan for executives and certain employees, we provide share-based compensation to foster our pay-for-performance culture and to attract, retain and motivate our key leaders.

As the success of our business is fundamentally connected to the well-being of our people, we offer benefits that support their physical, financial and emotional well-being. We provide our employees with access to flexible and convenient medical programs intended to meet their needs and the needs of their families. In addition to standard medical coverage, we offer eligible employees dental and vision coverage, health savings and flexible spending accounts, paid time off, employee assistance programs, voluntary short-term and long-term disability insurance and term life insurance. Additionally, we offer a 401(k) Savings Plan and Deferred Compensation Plan to certain employees. Our benefits vary by location and are designed to meet or exceed local laws and to be competitive in the marketplace.

In response to the COVID-19 pandemic, government legislation and key authorities, we implemented changes that we determined were in the best interest of our employees, as well as the communities in which we operate. This included having the majority of our employees work from home for several months, while implementing additional safety measures for employees continuing critical on-site work. We continue to embrace a flexible working arrangement for a majority of our in-house employees, as well as a portion of our contingent workforce where we continue to provide key services to customers remotely.

Professional Development and Training

We believe a key factor in employee retention is training and professional development for our talent. We have training programs across all levels of the Company to meet the needs of various roles, specialized skill sets and departments across the Company. All field associates receive Volt's General Safety Orientation prior to assignment and site-specific job task training from our clients. Volt offers the Federal Ten Hour and other specialty safety programs to key employees and clients as a value-add feature of our services. Volt is committed to the security and confidentiality of our employees' personal information and employs software tools and periodic employee training programs to promote security and information protection at all levels. Additionally, in the second quarter of fiscal 2021, we invested in an online educational platform to upskill our field associates across North America. This platform provides significant benefit and support to our employees in furthering their education and achieving their personal and professional goals, while at the same time cultivating a better-skilled pool of talent for our clients.

We utilize certain employee turnover rates and productivity metrics in assessing our employee programs to ensure that they are structured to instill high levels of in-house employee tenure, low levels of voluntary turnover and the optimization of productivity and performance across our entire workforce. Additionally, we have implemented a new performance evaluation program which adopts a modern approach to valuing and strengthening individual performance through on-going interactive progress assessments related to established goals and objectives.

Communication and Engagement

We strongly believe that Volt's success depends on employees understanding how their work contributes to the Company's overall strategy. To this end, we communicate with our workforce through a variety of channels and encourage open and direct communication, including: (i) quarterly company-wide CEO update calls; (ii) regular company-wide calls with executives; (iii) frequent email corporate communications; and (iv) employee engagement surveys.

Commitment to Values and Ethics through Governance

Along with our core values, we act in accordance with our Code of Business Conduct and Ethics ("Code of Conduct"), which sets forth expectations and guidance for employees to make appropriate decisions. Our Code of Conduct covers topics such as anti-corruption, discrimination, harassment, privacy, appropriate use of company assets, protecting confidential information, and reporting Code of Conduct violations. The Code of Conduct reflects our commitment to operating in a fair, honest, responsible and ethical manner and also provides direction for reporting complaints in the event of alleged violations of our policies (including through an anonymous hotline). Our executive officers and supervisors maintain "open door" policies and any form of retaliation is strictly prohibited. We take all reports of suspected violations and unethical behavior seriously and take appropriate actions to correct the situation.

Environmental

As a global provider of staffing services, Volt does not produce or manufacture any products or materials and therefore our environmental impact has been relatively small. Nevertheless, we understand that certain areas of our business and operations have an impact on the environment and we are dedicated to promoting internal sustainability initiatives and keeping our ecological footprint to a minimum. In addition to certain on-going internal initiatives, including office waste reduction practices such as printing less and recycling furniture and electronics, we were able to take advantage of more impactful opportunities using actions implemented during the COVID-19 pandemic. During fiscal 2020, we were able to quickly shift to a fully remote in-house workforce and in fiscal 2021, we continued to have the majority of our in-house employees remote thereby reducing the environmental impact of commuting and office energy consumption. This work model has allowed us to further decrease our carbon footprint by exiting and consolidating certain offices. We have also been able to reduce certain business travel by using virtual and collaborative tools whenever possible, further limiting our ecological impact. Volt is committed to enhancing its environmental protection measures and continuing to promote an eco-friendly culture both internally and in the communities it serves.

Regulation

Some states in the United States and certain foreign countries license and regulate contingent staffing service firms and employment agencies. Compliance with applicable present federal, state and local environmental laws and regulations has not had, and we believe that compliance with those laws and regulations in the future will not have, a material effect on our competitive position, financial condition, results of operations or cash flows.

Access to Our Information

We electronically file our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports with the SEC. These and other SEC reports filed by us are available to the public free of charge at the SEC's website at www.sec.gov and in the Investors section on our website at www.volt.com, as soon as reasonably practicable after filing with the SEC. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549.

Copies of our Code of Conduct and other significant corporate documents (our Corporate Governance Guidelines, Nominating/Corporate Governance Committee Charter, Audit Committee Charter, Human Resources and Compensation Committee Charter, Whistleblower Policy, Foreign Corrupt Practices Act Policy, Equal Employment Opportunity Policy, Privacy Policy and Insider Trading Policy) are also available in the Corporate Governance section at our website. Copies are also available without charge upon request to Volt Information Sciences, Inc., 2401 N. Glassell Street, Orange, CA 92865, Attention: Shareholder Relations, or by calling us at 714-921-8800.

ITEM 1A. *RISK FACTORS*

Risk Factors

We maintain a risk management program which incorporates assessments by our officers, senior management and board of directors, as periodically updated. The following risks have been identified. You should carefully consider these risks along with the other information contained in this report. The following risks could materially and adversely affect our business and, as a result, our financial condition, results of operations and the market price of our common stock. Other risks and uncertainties not known to us or that we currently do not recognize as material could also materially adversely affect our business and, as a result, our financial condition, results of operations and the market price of our common stock.

Risks Related to the Company's Industry and Business Environment

Our business, results of operations and financial condition has been and may continue to be adversely impacted by global public health epidemics, including the strain of coronavirus known as COVID-19, and future adverse impacts could be material and difficult to predict

The global spread of COVID-19, which was declared a global pandemic by the World Health Organization on March 11, 2020, has created significant volatility, uncertainty and global macroeconomic disruption due to related government actions, non-governmental agency recommendations and public perceptions and disruption in global economic and labor market conditions. These effects have had, and could in the future have, an adverse impact on our business, including reduced demand for our services, worker absences, client shutdowns and reduced operations. Additionally, adverse changes in economic or operating conditions impacting our estimates and assumptions can result in the impairment of our goodwill or long-lived assets, including our lease right-of-use assets. In fiscal 2020, impairment charges were recorded on certain of our lease assets as a result of COVID-19 related actions. In fiscal 2021, we continued to experience the negative impacts of the COVID-19 crisis, particularly related to the impact of labor shortages and wage inflation, due in part to a certain portion of the workforce not returning to the labor market in many industries, as well as market concerns about the COVID-19 variants. In addition, the global pandemic has resulted in a significant number of new rules and regulations, the cost of compliance and monitoring of which may have a continued impact on our business and existing resources.

The future impact of the pandemic on global and local economies will continue todepend on future developments such as the emergence of future variant strains of COVID-19, the availability and distribution of effective medical treatments and vaccines, vaccination rates, as well as government-imposed restrictions or mandates. Further, any new or tightened government-imposed restrictions or mandates on the conduct of business, including vaccination mandates, could adversely impact our business, liquidity and results of operations.

Our results of operations and liquidity could be adversely impacted by economic conditions affecting our clients

Our business depends on the overall demand for labor and on the economic health of current and prospective clients.The spread of COVID-19 and resulting restrictions and labor shortages across the United States are having, and may continue to have, a negative impact on the operating results of the Company. As our clients respond to the effects of efforts to address the consequences of the pandemic, including the measures taken at various levels of government to contain the virus' spread, we expect that our ability to add new customers, as well as to grow revenues from existing customers, will be adversely affected due to economic slowdown, business closures, labor shortages and reductions in hours worked.

Any significant weakening of the economy including the worsening of the ongoing labor shortage and rise in inflation, as well as the ongoing uncertainty related to the pandemic, may adversely impact our business. These conditions may impact our ability to meet the increasing demand for our services across certain markets. Additionally, in response to the pandemic and further heightened by the current labor shortages, many businesses are looking at how to accelerate deployment of new technologies in their operations to minimize costs, improve productivity and reduce dependency on human capital, which may reduce demand for our services and impact our operations. Across many industries we serve, labor costs have risen dramatically in recent months, which could result in compression on our operating margins in situations in which we are not able to pass those costs on to our customers.

Our working capital is primarily in the form of trade receivables which generally increase as sales increase. Our working capital requirements are primarily generated from employee payroll which is paid weekly and customer accounts receivable which is generally outstanding for longer periods. Since receipts from customers lag payroll payments to temporary employees, working capital requirements increase and operating cash flows decrease substantially in periods of growth. During periods of economic decline or uncertainty, our clients may slow the rate at which they pay their vendors, or they may become unable to pay their obligations. In addition, some clients have begun to impose more challenging billing terms, which increases the length of time before we receive payment for services provided. If our clients become unable to pay amounts owed to us or pay us more slowly, our cash flow, liquidity, and profitability may be impacted. Conversely, when economic activity slows, working capital requirements may substantially decrease and operating cash flows increase. Such increases dissipate over time if the economic downturn continues for an extended period.

Our business depends on uninterrupted service to clients

Our operations depend on our ability to protect our facilities, computer and telecommunication equipment, and software systems against damage or interruption from fire, power loss, natural disasters, weather conditions, telecommunications interruption and other similar events. Additionally, the occurrence of any such events may cause our employees to miss work and interrupt delivery of our service, potentially resulting in a loss of revenue. While we have enhanced controls and recovery plans in place, we have a high concentration of operations in high-risk geographies, such events could have a materially adverse effect on our business, financial condition and results of operations, if recovery plans are unsuccessful.

Risks Related to the Company's Capital Structure and Finances

Our credit facility contains financial covenants that may limit our ability to take certain actions

We remain dependent upon our financing agreement which includes certain financial covenants. These covenants could constrain the execution of our business strategy and growth plans. Our ability to continue to meet these financial covenants is not assured. If we default under any of these requirements, our lenders could restrict our ability to access funds in our customer collections account, declare all outstanding borrowings, accrued interest and fees due and payable, or significantly increase the cost of the facility. Under such circumstances, there could be no assurance that we would have sufficient liquidity to repay or refinance the indebtedness at favorable rates or at all. If we are forced to refinance these borrowings on less favorable terms, our results of operations and financial condition could be adversely affected by increased costs and rates. As of October 31, 2021, we were in compliance with all covenant requirements.

Turmoil in the financial markets could limit our ability to fully utilize available credit, which could negatively affect our operations and limit our liquidity

We rely on financing for future working capital, capital expenditures and other corporate purposes. Turmoil in financial markets may create additional risks to our business in the future which may limit our ability to fully utilize available credit provided by our financing program. Volatility in the credit markets or a contraction in the availability of credit or higher borrowing costs due to increasing interest rates may make it more difficult for us to meet our working capital requirements and could have a material adverse effect on our business, results of operations and financial position.

Our ability to retain acceptable insurance coverage limits at commercially reasonable cost and terms may adversely impact our financial results

We cannot be certain we will be able to obtain appropriate types or levels of insurance in the future, that adequate replacement policies will be available on acceptable terms, if at all, and at commercially reasonable cost, or that the companies from which we have obtained insurance will be able to pay claims we make under such policies. Our coverage under certain insurance policies is limited and the losses that we may face may not be covered, may be subject to high deductibles or may exceed the limits purchased.

Some customers require extensive insurance coverage and request insurance endorsements that are not available under standard monoline policies. There can be no assurance that we will be able to negotiate acceptable compromises with customers or negotiate appropriate changes in our insurance contracts. This may adversely affect our ability to take on new customers or accepted changes in insurance terms with existing customers.

Risks Related to the Company's Operations

The loss of major customers could adversely impact our business

We experience revenue concentration with large customers within certain operating segments, as well as concentrations of interrelated customers. Although we have no customer that represents over 10% of our consolidated revenues, there are customers that exceed 10% of revenues within both the International Staffing and North American MSP segments. The deterioration of the financial condition or significant change to the business or staffing model of these customers or multiple customers in a similar industry, or similar customers that are interdependent could have a material adverse effect on our business, financial condition and results of operations.

Our results of operations and ability to grow may be negatively affected if we are not able to keep pace with rapid changes in technology

The Company's success depends on our ability to keep pace with rapid technological changes in the development, implementation and operation of our services and solutions. The increased use of mobile technology is attracting additional technology-oriented companies and resources to our industry. Our clients and candidates increasingly demand technological innovation to improve the entire cycle of our services so we must continue to invest in new technology in order to meet these needs and remain competitive in the industry. Acquiring and implementing new technology for our business may require us to incur significant expenses and capital costs and if we do not sufficiently invest in and implement new technology, or evolve our business at sufficient speed and scale, our business results may decline materially.

Unexpected changes in workers' compensation and other insurance plans may negatively impact our financial condition

We purchase workers' compensation insurance through mandated participation in certain state funds and the experience-rated premiums in these state plans relieve the Company of any additional liability. Liability for workers' compensation in all other states as well as automobile and general liability is insured under a paid loss deductible casualty insurance program for losses exceeding specified deductible levels. We are financially responsible for losses below the specified deductible limits.

The Company is self-insured for a portion of its medical benefit programs. The liability for the self-insured medical benefits is limited on a per-claimant basis through the purchase of stop-loss insurance. The Company's retained liability for the self-insured medical benefits is determined by utilizing actuarial estimates of expected claims based on statistical analysis of historical data.

Unexpected changes related to our workers' compensation, medical and disability benefit plans may negatively impact our financial condition. Changes in the severity and frequency of claims, state laws regarding benefit levels and allowable claims, actuarial estimates, or medical cost inflation could result in costs that are significantly higher. If future claims-related liabilities increase beyond our expectations, or if we must make unfavorable adjustments to accruals for prior accident years, our costs could increase significantly. There can be no assurance that we will be able to increase the fees charged to our customers in a timely manner and in a sufficient amount to cover the increased costs that result from any changes in claims-related liabilities.

Many of our contracts provide no minimum purchase requirements, are cancellable during the term, or both

In our staffing services business, most of our contracts, even those with multi-year terms, provide no assurance of any minimum amount of revenue and under many of these contracts we still must compete for each individual placement or project. In addition, many of our contracts contain cancellation provisions under which the customer can cancel the contract at any time or on relatively short notice, even if we are not in default under the contract. Therefore, these contracts do not provide the assurances that typical long-term contracts often provide and are inherently uncertain with respect to the amount of revenues and earnings we may realize.

<u>Risks Related to the Company's Information Technology, Cybersecurity and Data Protection</u>

We could incur liabilities, or our reputation could be damaged, from a cyber-attack or improper disclosure or loss of sensitive or confidential company, employee, associate, candidate or client data, including personal data

Our business involves the use, storage and transfer of certain information about our full-time and contingent employees, customers and other individuals. We rely upon multiple information technology systems and networks, some of which are web-based or managed by third parties, to process, transmit and store electronic information and to manage or support a variety of critical business processes and activities. This information contains sensitive or confidential employee and customer data, including personally identifiable information. The secure and consistent operation of these systems, networks and processes is critical to our business operations. Our systems and networks have been, and will continue to be, the target of cyber-attacks, computer viruses, worms, phishing attacks, ransomware, malicious software programs and other cyber-security incidents that could result in the unauthorized release, gathering, monitoring, use, loss or destruction of our customers' or employees' sensitive and personal data. Successful cyber-attacks or other data breaches, as well as risks associated with compliance with applicable data privacy laws, could harm our reputation, divert management attention and resources, increase our operating expenses due to the employment of consultants and third-party experts and the purchase of additional infrastructure and/or subject us to legal liability, resulting in increased costs and loss of revenues.

While we proactively safeguard our data and have enhanced security software and controls, it is possible that our security controls over sensitive or confidential data and other practices we and our third-party service providers follow may not prevent improper access to, or disclosure of, such information. Any such disclosure or security breach could subject us to significant monetary damages or losses, litigation, regulatory enforcement actions or fines. In addition, our liability insurance might not be sufficient in scope or amount to cover us against claims related to security breaches, social engineering, cyber-attacks and other related data disclosure, loss or breach.

As cyber-attacks increase in frequency and sophistication, our cyber-security and business continuity plans may not be effective in anticipating, preventing and effectively responding to all potential cyber-risk exposures. Further, data privacy is subject to frequently changing rules and regulations, which are not uniform and may possibly conflict in jurisdictions and countries where we provide services. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace.

Additionally, our employees and certain of our third-party service providers may have access or exposure to sensitive customer data and systems. The misuse or unauthorized disclosure of information could result in contractual and legal liability for us due to the actions or inactions of our employees or vendors.

We rely extensively on our information technology systems which are vulnerable to damage and interruption

We rely on information technology networks and systems, including the Internet and cloud services, to process, transmit and store electronic and financial information, manage a variety of business processes and activities and comply with regulatory, legal and tax requirements. We depend on our information technology infrastructure for digital marketing activities, collection and retention of customer data, employee information and for electronic communications among our locations, personnel, customers and suppliers around the world. While we take various precautions and have enhanced controls around our systems, our information technology systems may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. Our sales, financial condition and results of operations may be materially and adversely affected and we could experience delays in reporting our financial results, if our information technology systems suffer severe damage, disruption or shutdown and our business continuity plans do not effectively resolve the issues in a timely manner.

Risks Related to Our Common Stock

Our stock price has experienced volatility and, as a result, investors may not be able to resell their shares at or above the price they paid for them

Our stock price may fluctuate as a result of a variety of factors, including:

- our failure to meet the expectations of the investment community or our estimates of our future results of operations;
- industry trends and the business success of our customers;
- loss of one or more key customers;
- strategic moves by our competitors, such as product or service announcements or acquisitions;
- regulatory developments;
- rising labor costs that affect our operating margins;
- litigation;
- general economic conditions;
- other domestic and international macroeconomic factors unrelated to our performance; and
- any of the other previously noted risk factors.

The stock market has experienced and is likely to experience in the future, volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations, as well as our relatively low daily trading volume, may also adversely affect the market price of our common stock.

Certain shareholders, whose interests may differ from those of other shareholders, own a significant percentage of our common stock and may be able to exercise significant influence over Volt

Ownership of a significant amount of our outstanding common stock is concentrated among certain shareholders, including related family members and certain funds. Although there can be no assurance as to how these shareholders will vote, if they were to vote in the same manner, certain combinations of such persons might be able to control or materially influence the outcome of advisory votes or matters requiring shareholder approval. The interests or motivations of such individual shareholders may not align with those of our shareholders generally.

Our business could be negatively affected as a result of a potential proxy contest for the election of directors at our annual meeting or other shareholder activism

A proxy contest would require us to incur significant legal fees and proxy solicitation expenses and require significant time and attention by management and the Board of Directors. The potential of a proxy contest or other shareholder activism could interfere with our ability to execute our strategic plan, give rise to perceived uncertainties as to our future direction, adversely affect our relationships with key business partners, result in the loss of potential business opportunities or make it more difficult to attract and retain qualified personnel, any of which could materially and adversely affect our business and operating results.

The market price of our common stock could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties related to stockholder activism.

New York State law, our Articles of Incorporation and By-laws contain provisions that could make corporate ownership changes at Volt more difficult

Certain provisions of New York State law and our articles of incorporation and by-laws could have the effect of delaying or preventing a third party from acquiring Volt, even if a change in control would be beneficial to our shareholders.

The provisions of the New York Business Corporation Law, to which we are subject, require the affirmative vote of the holders of two-thirds of all of our outstanding shares entitled to vote to adopt a plan of merger or consolidation between us and another entity or to approve any sale, lease, exchange or other disposition of all or substantially all of our assets not made in the ordinary course of business. Accordingly, our substantial shareholders, if they were to act together, could prevent approval of such transactions even if such transactions are in the best interest of our other shareholders.

In addition, our articles of incorporation and by-laws provide:

- an advance notice requirement for shareholder proposals and director nominees;
- that removal of directors shall only be for cause; and
- that vacancies on the Board of Directors be filled for the unexpired term by a majority vote of the remaining directors then in office.

General Risk Factors

The contingent staffing industry is very competitive with few significant barriers to entry

The markets for Volt’s staffing services are highly competitive with few barriers to entry. Our industry is large and fragmented, comprised of thousands of firms employing millions of people and generating billions of dollars in annual revenue. In most areas, no single company has a dominant share of the employment services market. Some of our competitors are larger than us, have substantial marketing and financial resources and may be better positioned in certain markets than we are. These companies may be better able than we are to attract and retain qualified personnel, to offer more favorable pricing and terms, or otherwise attract and retain the business that we seek. Any inability to compete effectively could adversely affect our business and financial results. Clients may also take advantage of low-cost alternatives including using their own in-house resources rather than engaging a third party. In addition, some of our staffing services customers, generally larger companies, are mandated or otherwise motivated to utilize the services of small or minority-owned companies rather than large corporations. There can be no assurance that we will be able to continue to compete effectively in our business segments.

We are dependent upon the quality of our human capital

Our operations are dependent upon our ability to attract and retain personnel, for temporary assignments and projects, as well as internally, including in the areas of maintenance and protection of our systems. The availability of such personnel is dependent upon a number of economic and demographic conditions. Our ability to fulfill customer requirements may be impeded by a scarcity of talent in the current labor markets and rising labor costs as well as by the potential impact of future vaccine mandates. As a result, we may find it difficult or costlier to hire such personnel in the face of competition from our competitors, which could directly impact our gross margins and overall results of operations.

We are subject to employment–related claims and losses, including class action lawsuits, which could have a material adverse effect on our business

Our staffing services business employs or engages individuals on a contingent basis and places them in a customer's workplace. Our ability to control the customer's workplace is limited and we risk incurring liability to our employees for injury (which can result in increased workers' compensation costs) or other harm that they suffer in the scope of employment at the customer's workplace or while under the customer's control.

Additionally, we risk liability to our customers for the actions or inactions of our employees, including those individuals employed on a contingent basis that may cause harm to our customers or other employees. Such actions may be the result of errors and omissions in the application of laws, rules, policies and procedures, discrimination, retaliation, negligence or misconduct on the part of our employees, damage to customer facilities or property due to negligence, criminal activity and other similar claims. In addition, we may face claims related to violations of wage and hour regulations, Fair Credit Reporting Act violations and claims relating to the misclassification of independent contractors, among other types of claims. In some cases, we must indemnify our customers for certain acts of our employees and certain customers have negotiated broad indemnification provisions. We may also incur fines, penalties and losses that are not covered by insurance or negative publicity with respect to these matters. We have increased potential exposure to employment-related claims and litigation based on our concentration of business in higher regulation geographies. We maintain policies, procedures and guidelines to promote compliance with laws, rules, regulations and best practices applicable to our business, but there can be no assurances that these policies, procedures and guidelines will be effective or that we will not experience losses due to such risks.

Our operational results could be negatively impacted by currency fluctuations and other global business risks and regulations

Our global operations subject us to risks relating to our international business activities, including global economic conditions, fluctuations in currency exchange rates and numerous legal and regulatory requirements placed upon the Company's international clients.

Variation in the economic condition or unemployment levels in any of the foreign countries in which the Company does business may severely reduce the demand for the Company's services.

Our business is exposed to fluctuations in exchange rates. Our operations outside the United States are reported in the applicable local currencies and then translated into U.S. dollars at the applicable currency exchange rates for inclusion in our Consolidated Financial Statements. Exchange rates for currencies of these countries may fluctuate in relation to the U.S. dollar and these fluctuations may have an adverse or favorable effect on our operating results when translating foreign currencies into U.S. dollars.

In addition, the Company faces risks in complying with various foreign laws and technical standards and unpredictable changes in foreign regulations, including U.S. legal requirements governing U.S. companies operating in foreign countries, legal and cultural differences in the conduct of business, potential adverse tax consequences, difficulty in staffing and managing international operations.

We are additionally subject to numerous legal and regulatory requirements that prohibit bribery and corrupt acts. These include the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010, as well as similar legislation in many of the countries and territories in which we operate. While we have training programs and appropriate internal controls in place, there can be no assurances that these will be effective to prevent and detect all potential business practices that are prohibited by our policies and these laws and regulations.

The United Kingdom's ("U.K.") referendum to exit from the European Union ("E.U.") may continue to have uncertain effects and could adversely impact our business, results of operations and financial condition

As a result of a referendum in June 2016, the U.K. withdrew from the E.U. ("Brexit") on January 31, 2020. It began a transition period in which to negotiate a new trading relationship for goods and services that ended on December 31, 2020. During the time since the June 2016 referendum, there have been periods of significant volatility in the global stock markets and currency exchange rates, as well as challenging market conditions in the U.K. On December 24, 2020, the U.K. and E.U. announced they had entered into a post-Brexit deal on certain aspects of trade and other strategic and political issues. Although we have not experienced any material disruptions in our business as a result of Brexit to date, the ultimate effects are still difficult to predict and adverse consequences concerning Brexit or the E.U. could include a decline in global economic conditions, instability in global financial markets, political uncertainty and volatility in currency exchange rates, among others, any of which could have an adverse impact on our business operations and financial results.

New or increased government regulation, employment costs or taxes could have a material adverse effect on our business, especially for our contingent staffing business

Certain of our businesses are subject to licensing and regulation in some states and most foreign jurisdictions. There can be no assurance that we will be able to continue to comply with these requirements, or that the cost of compliance will not become material. Additionally, the jurisdictions in which we do or intend to do business may:

- create new or additional regulations that mandate additional requirements or prohibit or restrict the types of services that we currently provide;
- change regulations in ways that cause short-term disruption or impose costs to comply;
- impose new or additional employment costs that we may not be able to pass on to customers or that could cause customers to reduce their use of our services;
- require us to obtain additional licenses; or
- increase taxes (especially payroll and other employment-related taxes) or enact new or different taxes payable by the providers or users of services such as those offered by us, thereby increasing our costs, some of which we may not be able to pass on to customers or that could cause customers to reduce their use of our services especially in our staffing services, which could adversely impact our results of operations or cash flows.

From time to time, the staffing industry has come under criticism from unions, works councils, regulatory agencies and other constituents that maintain that labor and employment protections, such as wage and benefits regulations, are subverted when customers use contingent staffing services. Our business is dependent on the continued acceptance of contingent staffing arrangements as a source of flexible labor for our customers. If attitudes or business practices in some locations change due to pressure from organized labor, political groups or regulatory agencies, it could have a material adverse effect on our business, results of operations and financial condition. In some of our foreign markets, new and proposed regulatory activity may impose additional requirements and costs, which could have an adverse effect on our contingent staffing business.

Failure to maintain adequate financial and management processes and internal controls could lead to errors in our financial reporting

The accuracy of our financial reporting is dependent on the effectiveness of our internal controls. We are required to provide a report from management to our shareholders on our internal control over financial reporting that includes an assessment of the effectiveness of these controls. Internal control over financial reporting has inherent limitations, including human error, the possibility that controls could be circumvented or become inadequate because of changed conditions, resource challenges and fraud. Due to these inherent limitations, internal control over financial reporting might not prevent or detect all misstatements or fraud. If we cannot maintain and execute adequate internal control over financial reporting or implement required new or improved controls that provide reasonable assurance of the reliability of the financial reporting and preparation of our financial statements for external use, we could suffer harm to our reputation, fail to meet our public reporting requirements in a timely fashion, be unable to properly report on our business and our results of operations, or be required to restate our financial statements. These circumstances could lead to a significant decrease in the trading price of our shares, or the delisting of our shares from the NYSE AMERICAN, which would harm our shareholders.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

None.

ITEM 2. *PROPERTIES*

Our corporate headquarters is located in approximately 200,000 square feet at 2401 N. Glassell Street, Orange, California 92865. We currently operate out of approximately 50,000 square feet of that space after our real estate rationalization initiatives. Operations from this location are primarily corporate functions, as well as our North American Staffing and North American MSP segments. The lease on this facility expires in 2031.

We lease space in approximately 65 other facilities, excluding month-to-month leases, each of which consists of less than 20,000 square feet. The Company’s leases expire at various times from 2022 until 2031.

At times, we have leased space that we no longer require for our own business and sublease to others when favorable business terms can be achieved based on the specific attributes of each lease. We believe that our facilities are adequate for our presently anticipated uses and we are not dependent upon any individual leased premises.

For additional information pertaining to lease commitments, see our Note 2 Leases in our Consolidated Financial Statements.

ITEM 3. *LEGAL PROCEEDINGS*

From time to time, the Company is subject to claims in 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.

ITEM 4. *MINE SAFETY DISCLOSURES*

Not applicable.

PART II

ITEM 5. ***MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES***

Market for Common Stock

As the Company is a "smaller reporting company," for the annual period ending October 31, 2021, it is not required to provide the performance graph under Item 201(e) of Regulation S-K.

Our common stock is traded on the NYSE AMERICAN under the symbol "VOLT". The following table sets forth, for the periods indicated, the high and low sales prices or the high and low bid quotations for our common stock for the fiscal years ended October 31, 2021 and November 1, 2020. The over-the-counter market bid quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Fiscal Period		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2021	High	$ 3.28	$ 4.50	$ 5.37	$ 5.46
	Low	$ 1.30	$ 2.67	$ 3.60	$ 3.28
2020	High	$ 3.10	$ 2.51	$ 1.71	$ 1.74
	Low	$ 2.28	$ 0.68	$ 0.70	$ 1.12

On January 7, 2022, there were 218 holders of record of our common stock, exclusive of shareholders whose shares were held by brokerage firms, depositories and other institutional firms in "street name" for their customers.

Dividends

Cash dividends have not been declared or paid for the two years ended October 31, 2021 and through the date of this report.

Issuer Purchases of Equity Securities

There were no shares purchased in the fourth quarter of fiscal 2021.

ITEM 6. *SELECTED FINANCIAL DATA*

The following selected financial data reflects the results of operations and balance sheet data for the fiscal years ended October 31, 2021, November 1, 2020 and November 3, 2019. The data below should be read in conjunction with, and is qualified by reference to, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and the Company's Consolidated Financial Statements and notes thereto. The financial information presented may not be indicative of our future performance.

Volt Information Sciences, Inc. and Subsidiaries
Selected Financial Data

For the year ended, *(in thousands, except per share data)*	**October 31, 2021**	**November 1, 2020**	**November 3, 2019**
	52 weeks	*52 weeks*	*53 weeks*
STATEMENT OF OPERATIONS DATA			
Net revenue	$ 885,393	$ 822,055	$ 997,090
Operating income (loss)	$ 4,832	$ (29,369)	$ (9,833)
Net income (loss)	$ 1,374	$ (33,587)	$ (15,186)
PER SHARE DATA:			
Basic:			
Net income (loss)	$ 0.06	$ (1.56)	$ (0.72)
Weighted average number of shares	21,884	21,507	21,119
Diluted:			
Net income (loss)	$ 0.06	$ (1.56)	$ (0.72)
Weighted average number of shares	22,609	21,507	21,119

(in thousands)	**October 31, 2021**	**November 1, 2020**	**November 3, 2019**
BALANCE SHEET DATA			
Cash and cash equivalents	$ 71,373	$ 38,550	$ 28,672
Working capital	$ 99,228	$ 101,756	$ 89,352
Total assets	$ 260,104	$ 241,845	$ 218,004
Long-term debt, excluding current portion	$ 60,000	$ 60,000	$ 55,000
Total stockholders' equity	$ 31,093	$ 27,874	$ 36,189

Note - Cash dividends were not declared or paid during the above periods.

ITEM 7. ***MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS***

The following discussion should be read in conjunction with the Consolidated Financial Statements and notes thereto.

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. Our Non-GAAP measures are generally presented on a constant currency basis, and exclude (i) the impact of businesses sold or exited, (ii) the impact from the migration of certain clients from a traditional staffing model to a managed service model ("MSP transitions") and (iii) the elimination of special items. 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. We believe that the difference in revenue recognition accounting under each model of the MSP transitions could be misleading on a comparative period basis. We further believe that the use of Non-GAAP measures 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 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.

Segments

Our reportable segments are (i) North American Staffing, (ii) International Staffing and (iii) North American MSP. All other business activities that do not meet the criteria to be reportable segments are aggregated with corporate services under the category Corporate and Other. Our reportable segments have been determined in accordance with our internal management structure, which is based on operating activities. We evaluate business performance based upon several metrics, primarily using revenue and segment operating income as the primary financial measures. We believe segment operating income provides management and investors a measure to analyze operating performance of each business segment against historical and competitors' data, although historical results, including operating income, may not be indicative of future results as operating income is highly contingent on many factors including the state of the economy, competitive conditions and customer preferences.

We allocate all support-related costs to the operating segments except for costs not directly relating to our operating activities such as corporate-wide general and administrative costs. These costs are not allocated to individual operating segments because we believe that doing so would not enhance the understanding of segment operating performance and such costs are not used by management to measure segment performance.

We report our segment information in accordance with the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification 280,*Segment Reporting* ("ASC 280"), aligning with the way the Company evaluates its business performance and manages its operations.

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.

As of October 31, 2021, we employed approximately 15,400 people, including 14,300 contingent workers. Contingent workers are on our payroll for the length of their assignment. We operate in approximately 65 of our own locations and have an on-site presence in over 60 customer locations. Approximately 87% of our revenue is generated in the United States. Our principal international markets include Europe, Asia Pacific and Canada locations. The industry is highly fragmented and very competitive in all of the markets we serve.

COVID-19 and Our Response

The global spread of COVID-19, which was declared a global pandemic by the World Health Organization ("WHO") on March 11, 2020, created significant volatility, uncertainty and global macroeconomic disruption. Our business experienced significant changes in revenue trends at the mid-point of our second quarter of fiscal 2020 as market conditions rapidly deteriorated and continued to decline through the beginning of our third quarter of fiscal 2020. Beginning in the second half of fiscal 2020 however, revenue increased sequentially as a result of a combination of existing customers returning to work, expanding business with existing customers and winning new customers.

Beginning in mid-March 2020, a number of countries and U.S. federal, state and local governments issued varying levels of stay-at-home orders requiring persons who were not engaged in essential activities and businesses as defined in those specific orders to remain at home or requiring reduced operations and capacity to comply with social distancing. Our first priority, with regard to the COVID-19 pandemic, was to ensure the health and safety of our employees, clients, suppliers and others with whom we partner in our business activities to continue our business operations in this unprecedented business environment. Our business was largely converted to a remote in-house workforce and remained open as we provided key services to essential businesses, both remotely and onsite at our customers' locations.

We continue to operate on a hybrid-model with certain locations fully staffed and others opening on a limited voluntary basis. Our COVID-19 Incident Response Team, comprised of key senior leaders in the organization, continues to monitor the most up-to-date developments and safety standard from the Centers for Disease Control and Prevention, WHO, Occupational Safety and Health Administration and other key authorities to determine an appropriate response for our employees and clients. While this team is currently monitoring COVID-19 developments globally, we also remain focused on the regulations and vaccine requirements in the U.S. to ensure we are complying with all relevant regulations. We are also monitoring developments related to vaccine mandates from certain customers.

We expect the global business environment will continue to operate in various stages of economic turbulence. We are encouraged by the increase in order activity and demand throughout the Company, however the pace of such increase may be impacted if a resurgence in COVID-19 infections leads to additional disruptions, government mandates or increased lack of available talent to match our customers' demands.

Recent Developments

None

Consolidated Results of Operations and Financial Highlights (Fiscal 2021 vs. Fiscal 2020)

Results of Operations by Segment (Fiscal 2021 vs. Fiscal 2020)

	Year Ended October 31, 2021					
(in thousands)	**Total**	**North American Staffing**	**International Staffing**	**North American MSP**	**Corporate and Other**	**Eliminations**
Net revenue	**$ 885,393**	**$ 738,767**	**$ 106,963**	**$ 39,312**	**$ 456**	**$ (105)**
Cost of services	741,871	623,346	86,716	31,655	259	(105)
Gross margin	**143,522**	**115,421**	**20,247**	**7,657**	**197**	**—**
Selling, administrative and other operating costs	135,427	82,449	15,956	5,409	31,613	—
Restructuring and severance costs	2,839	(57)	213	130	2,553	—
Impairment charges	424	—	—	—	424	—
Operating income (loss)	**4,832**	**33,029**	**4,078**	**2,118**	**(34,393)**	**—**
Other income (expense), net	(2,055)					
Income tax provision	1,403					
Net income	**$ 1,374**					

	Year Ended November 1, 2020					
(in thousands)	**Total**	**North American Staffing**	**International Staffing**	**North American MSP**	**Corporate and Other**	**Eliminations**
Net revenue	**$ 822,055**	**$ 689,095**	**$ 95,308**	**$ 37,915**	**$ 674**	**$ (937)**
Cost of services	694,204	586,255	79,087	29,471	328	(937)
Gross margin	**127,851**	**102,840**	**16,221**	**8,444**	**346**	**—**
Selling, administrative and other operating costs	137,666	85,776	14,484	5,370	32,036	—
Restructuring and severance costs	2,641	883	338	—	1,420	—
Impairment charges	16,913	1,859	—	—	15,054	—
Operating income (loss)	**(29,369)**	**14,322**	**1,399**	**3,074**	**(48,164)**	**—**
Other income (expense), net	(3,173)					
Income tax provision	1,045					
Net loss	**$ (33,587)**					

Results of Operations Consolidated (Fiscal 2021 vs. Fiscal 2020)

Net revenue in fiscal 2021 increased $63.3 million, or 7.7%, to $885.4 million from $822.1 million in fiscal 2020. The revenue increase was primarily due to increases in our North American Staffing segment of $49.7 million, our International Staffing segment of $11.7 million and our North American MSP segment of $1.4 million. Excluding the impact on net revenue of the positive foreign currency fluctuations of $6.6 million and $2.0 million related to MSP transitions, net revenue increased $58.7 million, or 7.1%.

Operating income in fiscal 2021 increased $34.2 million, or 116.5%, to $4.8 million from a loss of $29.4 million in fiscal 2020 primarily due to a $16.5 million decrease in impairment charges and an increase in revenue at improved margins. Excluding restructuring and severance costs and impairment charges, operating income in fiscal 2021 increased $17.9 million, or 182.5%. This increase in operating income of $17.9 million was primarily due to improved results in our North American Staffing segment of $15.9 million and our International Staffing segment of $2.6 million, partially offset by a decrease in our North American MSP segment of $0.8 million.

Results of Continuing Operations by Segments (Fiscal 2021 vs. Fiscal 2020)

Net Revenue

The North American Staffing segment revenue increased $49.7 million, or 7.2%, to $738.8 million in fiscal 2021 from $689.1 million in fiscal 2020. Excluding the impact of $2.0 million in revenue from MSP transitions, revenue increased $51.7 million, or 7.5%, in fiscal 2021. The increase is attributable to new business wins in a combination of retail and mid-market clients, combined with the expansion of business within existing clients. In addition, revenue was negatively impacted by the COVID-19 pandemic in fiscal 2020.

The International Staffing segment revenue increased $11.7 million, or 12.2%, to $107.0 million in fiscal 2021 from $95.3 million in fiscal 2020. Excluding the positive impact of foreign currency fluctuations of $6.7 million, International Staffing revenue increased by $5.0 million, or 4.9%, primarily due to increased staffing business in France and Singapore. In addition, revenue in the United Kingdom increased slightly as a result of higher payroll service business demand and direct hire revenue partially offset by lower contract revenue.

The North American MSP segment revenue increased $1.4 million, or 3.7%, to $39.3 million in fiscal 2021 from $37.9 million in fiscal 2020. The increase is primarily attributable to increased demand in its payroll service business partially offset by a decline in managed service business.

Cost of Services and Gross Margin

Cost of services in fiscal 2021 increased $47.7 million, or 6.9%, to $741.9 million from $694.2 million in fiscal 2020. The increase in our North American Staffing segment related to the 7.2% increase in revenue and a lower workers' compensation adjustment in the current fiscal year partially offset by a $3.8 million benefit from government wage subsidies. In addition, our International Staffing segment increased $7.6 million primarily as a result of the 12.2% increase in revenue.

Gross margin as a percent of revenue in fiscal 2021 increased to 16.2% from 15.6% in fiscal 2020. Our North American Staffing segment gross margin as a percentage of revenue increased primarily due to lower employee-related costs and a mix of higher margin business. Our International Staffing segment gross margin as a percentage of revenue primarily increased due to improved contract margins and higher direct hire revenue. Our North American MSP segment gross margin as a percentage of revenue decreased primarily due to an increase in lower-margin payroll service business. Government wage subsidies accounted for 40 basis points of the increase in fiscal 2021.

Selling, Administrative and Other Operating Costs

Selling, administrative and other operating costs in fiscal 2021 decreased $2.3 million, or 1.6%, to $135.4 million from $137.7 million in fiscal 2020. The decrease was primarily due to $4.7 million in lower facility related costs due to consolidating our real estate footprint and $1.2 million in lower software and travel expenses. This decrease was partially offset by a $2.1 million increase in labor and related costs as a result of an increase in incentives on the higher sales volume and higher medical claims experience partially offset by government wage subsidies and changes in headcount in the current fiscal year. In addition, professional fees were $1.7 million higher in fiscal 2021. As a percentage of revenue, selling, administrative and other operating costs were 15.3% and 16.7% in fiscal 2021 and 2020, respectively.

Restructuring and Severance Costs

Restructuring and severance costs in fiscal 2021 increased $0.2 million to $2.8 million from $2.6 million in fiscal 2020. Restructuring and severance costs in fiscal 2021 were primarily due to $1.8 million of ongoing costs of facilities exited in the second half of fiscal 2020 and $1.0 million in severance costs. The costs in fiscal 2020 were primarily due to our continued efforts to reduce costs and to offset COVID-19 related revenue losses. This included our plan to leverage the global capabilities of our staffing operations based in Bangalore, India and offshore a significant number of strategically identified roles to this location.

Impairment Charges

Impairment charges in fiscal 2021 decreased $16.5 million to $0.4 million from $16.9 million in fiscal 2020. Impairment charges incurred in the current fiscal year primarily related to capitalized software. In fiscal 2020, impairment charges primarily related to consolidating and exiting certain leased office locations throughout North America based on where we could be fully operational and successfully support our clients and business operations remotely.

Other Income (Expense), net

Other expense in fiscal 2021 decreased $1.1 million, or 35.2%, to $2.1 million from $3.2 million in fiscal 2020 due to a decrease in interest expense as a result of lower rates and a decrease in non-cash foreign exchange losses primarily on intercompany balances.

Income Tax Provision

Income tax provision of $1.4 million and $1.0 million in fiscal 2021 and 2020, respectively, was primarily related to locations outside of the United States.

Liquidity and Capital Resources

Overview

Our primary sources of liquidity are cash flows generated from operations and proceeds from our financing agreement (“DZ Financing Program”) with DZ Bank AG Deutsche Zentral-Genossenschaftsbank (“DZ Bank”). Both operating cash flows and borrowing capacity under our financing arrangement are directly related to the levels of accounts receivable generated by our business. Our primary capital requirements include funding working capital, operating lease obligations and software-related expenditures.

We define our working capital as cash plus trade accounts receivable minus current liabilities. Our working capital requirements consist primarily of payroll, employee-related benefits and employment-related tax payments for our contingent staff and in-house employees and trade payables, offset by collections of customer receivables. Our operations are such that our most significant current asset is trade accounts receivable, which are generally on 15 - 45 day credit terms, and our most significant current liabilities are payroll related costs, which are generally paid weekly. Consequently, as the demand for our services increases, we generally see an increase in our working capital requirements, as we continue to pay our contingent employees on a weekly basis while the related accounts receivable is outstanding for much longer, which may result in a decline in operating cash flows. Conversely, as the demand for our services declines, we generally see a decrease in our working capital needs, as the existing accounts receivable are collected and not replaced at the same level. This may result in an increase in our operating cash flows; however, any such increase would not be expected to be sustained in the event that an economic downturn continued for an extended period.

Our business is subject to seasonality with our first fiscal quarter billings typically the lowest due to the holiday season and generally increasing in the third and fourth fiscal quarters when our customers increase the use of contingent labor. Accordingly, the first and fourth quarters of our fiscal year are generally the strongest for operating cash flows.

We manage our cash flow and related liquidity on a global basis. As mentioned, we fund payroll, taxes and other working capital requirements using cash generated by operating activities supplemented, as needed, from our borrowings. Our weekly payroll payments inclusive of employment-related taxes and payments to vendors are approximately $16.0 - $17.0 million. We generally target minimum global liquidity to be 1.5 times our average weekly requirements taking into account seasonality and cyclical trends. 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, as well as our borrowing availability under our financing program, will be sufficient to meet our cash needs for the next twelve months based on current business plans.

Our capital allocation strategy is focused to strengthen our balance sheet and financial flexibility, as well as continue to invest in our growth and profitability initiatives. This strategy includes effectively managing working capital to maximize operational efficiency, re-investing in our core growth initiatives, in both technology enhancements and sales and recruiting talent. These priorities demonstrate our ongoing commitment to Volt shareholders as we continue to execute on our overall strategic plan and return to sustainable profitability.

Fiscal Year Ended October 31, 2021 compared to the Fiscal Year Ended November 1, 2020

Our liquidity and available capital resources are impacted by four key components: cash, including cash equivalents and restricted cash, operating activities, investing activities and financing activities, as shown below compared to the prior fiscal year.

As of October 31, 2021, our cash, cash equivalents and restricted cash totaled $76.6 million compared to $56.4 million as of November 1, 2020.

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

	For the Year Ended	
(in thousands)	**October 31, 2021**	**November 1, 2020**
Net cash provided by operating activities	$ 23,867	$ 18,154
Net cash used in investing activities	(3,060)	(4,629)
Net cash provided by (used in) financing activities	(580)	4,580
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(51)	(116)
Net increase in cash, cash equivalents and restricted cash	**$ 20,176**	**$ 17,989**

Cash Flows – Operating Activities

The net cash provided by operating activities in fiscal 2021 was $23.9 million, an increase of $5.7 million from fiscal 2020. This increase resulted primarily from the $18.5 million improvement in operating results, net of impairment charges in fiscal 2021 and an increase from accounts payable and accrued expenses of $5.4 million, partially offset by a decrease from accounts receivable of $19.2 million.

In the second half of March 2020, we experienced a decline in the demand for our services due to the impact of the COVID-19 pandemic. As a result, our operating cash flow increased, and accounts receivable balances decreased as customer collections outpaced sales. However, as client demand for our services improved in the latter part of fiscal 2020 and continued to grow in fiscal 2021, our operating cash flows increased. This pattern could repeat itself and would not be sustainable in the event the pandemic continues at resurgence levels or an economic downturn continues for an extended period.

During fiscal 2020 and the first two months of fiscal 2021, cash generated from operations was supplemented by the enactment of laws providing COVID-19 relief, most notably the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) which allowed for the deferral of payments of the Company's U.S. social security taxes. As a result, $26.2 million of employer payroll tax payments were deferred with $13.1 million paid on January 3, 2022 and the remaining payable with the December 31, 2022 tax payment in January 2023. In addition, certain state governments have delayed payment of various state payroll taxes for a shorter period of time. State payroll taxes of approximately $4.7 million deferred from the third quarter of fiscal 2021 were paid beginning in the fourth quarter of fiscal 2021. The Company’s payment of approximately $4.4 million of state payroll taxes will be deferred from the fourth quarter of fiscal 2021 with payments scheduled to begin in the first quarter of fiscal 2022.

Additionally, during fiscal 2021 we determined that we were eligible for the employee retention tax credit (“ERTC”), under the CARES Act, as our operations were fully or partially suspended due to government orders enacted in response to the COVID-19 pandemic. These credits reduced our payroll tax payments by $11.1 million and were treated as government subsidies.

Cash Flows – Investing Activities

The net cash used in investing activities in fiscal 2021 was $3.1 million, principally from the purchases of property, equipment and software primarily relating to our investment in updating our business processes, back-office financial suite and information technology tools. The net cash used in investing activities in fiscal 2020 was $4.6 million, principally from the purchases of property, equipment and software of $5.3 million partially offset by $0.4 million of proceeds from the sale of property, equipment and software.

See Note 18, “Segment Disclosures,” within our consolidated financial statements for the detail of purchases of property, equipment and software by segment.

Cash Flows – Financing Activities

The net cash used in financing activities in fiscal 2021 was $0.6 million principally from withholding tax payment on vesting of restricted stock awards of $0.5 million. The net cash provided by financing activities in fiscal 2020 was $4.6 million principally from a $5.0 million increase in net borrowing under the DZ Financing Program, partially offset by the payment of debt issuance costs of $0.3 million related to the DZ Financing Program.

Financing Program

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, we may request that DZ Bank make loans from time to time to the Company that are secured by liens on those receivables.

In July 2019, the Company amended and restated its long-term DZ Financing Program, 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 added an additional $5.0 - $7.0 million in borrowing availability. In June 2020, the Maximum Facility Amount, as defined in the DZ Financing Program, was reduced from $115.0 million to $100.0 million.

In December 2020, the Company amended the DZ Financing Program. The modifications to the agreement were to (1) extend the Amortization Date, as defined in the DZ Financing Program, from January 25, 2023 to January 25, 2024, (2) extend the Facility Maturity Date, as defined in the DZ Financing Program, from July 25, 2023 to July 25, 2024; (3) revise an existing covenant to maintain positive net income in any fiscal year ending after 2020 to any fiscal year ending after 2021; (4) replace the existing Tangible Net Worth (“TNW”) covenant requirement, as defined in the DZ Financing Program, to a minimum TNW of $20.0 million through the Company’s fiscal quarter ending on or about July 31, 2021 and $25.0 million in each quarter thereafter; and (5) revise the eligibility threshold for the receivables of a large North American Staffing customer from 5% of eligible receivables to 8%, which increased our overall availability under the Program by $1.0 - $3.0 million. All other terms and conditions remained substantially unchanged.

Loan advances may be made under the DZ Financing Program through January 25, 2024 and all loans will mature no later than July 25, 2024. 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 October 31, 2021, the letter of credit participation was $22.1 million inclusive of $20.9 million for the Company’s casualty insurance program and $1.2 million for the security deposit required under certain real estate lease agreements.

The DZ Financing Program contains customary representations and warranties as well as affirmative and negative covenants. 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 TNW, as defined in the DZ Financing Program, of $20.0 million through the Company's fiscal quarter ending on or about July 31, 2021, $25.0 million in each quarter thereafter; (2) positive net income in any fiscal year ending after 2021; (3) maximum debt to TNW ratio of 3:1; and (4) a minimum of $15.0 million in liquid assets, as defined in the DZ Financing Program. At October 31, 2021, the Company was in compliance with all debt covenants, as amended.

At October 31, 2021, the Company had outstanding borrowings under the DZ Financing Program of $60.0 million, borrowing availability, as defined in the DZ Financing Program, of $6.0 million and global liquidity of $59.0 million.

Our DZ Financing Program is subject to termination under certain events of default such as breach of covenants, including financial covenants. At October 31, 2021, we were in compliance with all debt covenants, as defined in the DZ Financing Program. We believe, based on our 2022 Plan, we will continue to be able to meet our financial covenants under the amended DZ Financing Program.

The following table sets forth our cash and global liquidity levels at the end of our last five fiscal quarters:

Global Liquidity

(in thousands)	November 1, 2020	January 31, 2021	May 2, 2021	August 1, 2021	October 31, 2021
Cash and cash equivalents *(a)*	**$ 38,550**	**$ 40,062**	**$ 47,231**	**$ 49,595**	**$ 71,373**
Total outstanding debt	**$ 60,000**	**$ 60,000**	**$ 60,000**	**$ 60,000**	**$ 60,000**
Cash in banks *(b) (c)*	$ 36,218	$ 36,962	$ 39,288	$ 43,076	$ 52,938
DZ Financing Program	2,828	2,225	2,868	3,990	6,046
Global liquidity	**39,046**	**39,187**	**42,156**	**47,066**	**58,984**
Minimum liquidity threshold	15,000	15,000	15,000	15,000	15,000
Available liquidity	**$ 24,046**	**$ 24,187**	**$ 27,156**	**$ 32,066**	**$ 43,984**

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 October 31, 2021, the balance in the USB collections account included in the DZ Financing Program availability was $6.9 million.*

Liquidity Outlook

As previously noted, our primary sources of liquidity are cash flows from operations and proceeds from our financing arrangement. Both operating cash flows and borrowing capacity under our financing arrangement are directly related to the levels of accounts receivable generated by our businesses. Our level of borrowing capacity under the DZ Financing Program increases or decreases in tandem with any increases or decreases in accounts receivable based on revenue fluctuations, among other factors.

While we believe our cash provided by operating activities and borrowing availability under our DZ Financing Program, will be sufficient to meet our operating working capital and capital expenditure requirements at a minimum for the next twelve months, the extent to which any on-going or resurgence of COVID-19 related impacts could affect our business, financial condition, results of operations and cash flows in the short- and medium-term cannot be predicted with certainty. We may also face unexpected costs or an adverse impact on our business operations, in connection with government mandated COVID-19 vaccine-related policies and procedures. Any of the above could have a material adverse effect on our business, financial condition, results of operations and cash flows and require us to seek additional sources of liquidity and capital resources.

Many governments in countries and territories in which we do business have announced that certain payroll, income and other tax payments may be deferred without penalty for a certain period of time, as well as providing other cash flow related relief packages. As noted above, we determined that we qualify for the payroll tax deferral which allows us to delay payment of the employer portion of payroll taxes and for certain employment tax credits. We are evaluating whether we qualify for additional employment tax credits. If we qualify for such credits, the credits will be treated as government subsidies, which will offset related expenses. We continue to actively monitor these relief packages to take advantage of all of those which are available to us.

As of October 31 2021, we have significant tax benefits including federal net operating loss (“NOL”) carryforwards of $210.0 million, U.S. state NOL carryforwards of $226.3 million, international NOL carryforwards of $8.3 million and federal tax credits of $53.3 million, which are fully reserved with a valuation allowance which we may be able to utilize against future profits. As of October 31, 2021, the U.S. federal NOL carryforwards will expire at various dates between 2031and 2038 (with some indefinite), the U.S. state NOL carryforwards expire at various dates beginning in 2022 (with some indefinite), the international NOL carryforwards expire at various dates beginning in 2022 (with some indefinite) and federal tax credits expire between 2022 and 2040.

In addition to our discussion and analysis surrounding our liquidity and capital resources, our significant contractual obligations and commitments as of October 31, 2021, include:

- Debt Obligations and Interest Payments - As of October 31, 2021, our outstanding debt balance was $60.0 million. See Note 12, “Debt” within our consolidated financial statements for further detail of our debt and the timing of expected future principal and interest payments.

- Operating Leases – As of October 31, 2021, our remaining contractual commitment for operating leases was $51.1 million. See Note 2, “Leases,” within our consolidated financial statements for further detail of our obligations and the timing of expected future payments, including a five-year maturity schedule.
- Software-Related Expenditures – As of October 31, 2021, we had contractual commitments for software-related expenditures of $2.3 million. We anticipate capital expenditures in fiscal 2022 of approximately $4.0 - $5.0 million as we continue to support our strategic initiatives through improved technology, as necessary. While the majority of our software-related contractual obligations does not currently extend beyond fiscal 2022, we anticipate annual payments of approximately $5.5 million for the on-going use of our core technology.
- Casualty Insurance - As of October 31, 2021, we had accrued casualty claims of $13.9 million under our Casualty Insurance Program. While we cannot accurately predict future insurance claim liability, we estimate our related expenditures in fiscal 2022 to be in the range of $8.0 - $11.0 million, based on historical data.

Off-Balance Sheet Arrangements

As of October 31, 2021, we issued letters of credit against our DZ Financing Program totaling $22.1 million including $20.9 million for the Company’s casualty insurance program and $1.2 million for the security deposit required under certain lease agreements.

As of November 1, 2020, we issued letters of credit against our DZ Financing Program totaling $24.5 million including $23.3 million for the Company’s casualty insurance program and $1.2 million for the security deposit required under certain lease agreements.

As of October 31, 2021, we had no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our consolidated financial condition, results of operations, liquidity, capital expenditures, or capital resources.

Critical Accounting Policies and Estimates

Management’s discussion and analysis of our financial position and results of operations are based upon our Consolidated Financial Statements, which are included in Item 8, Financial Statements and Supplementary Data of this report and have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates, judgments, assumptions and valuations that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. While management believes that its estimates, judgments and assumptions are appropriate, significant differences in actual experience or significant changes in assumptions may materially affect our future results. Management believes the critical accounting policies and areas that require the most significant estimates, judgments, assumptions or valuations used in the preparation of our financial statements are those summarized below.

Goodwill

We perform our annual impairment test for goodwill during the second quarter of the fiscal year and when a triggering event occurs between annual impairment tests. When testing goodwill, the Company has the option to first assess qualitative factors for reporting units that carry goodwill. The qualitative assessment includes assessing the totality of relevant events and circumstances that affect the fair value or carrying value of the reporting unit. These events and circumstances include macroeconomic conditions, industry and competitive environment conditions, overall financial performance, reporting unit specific events and market considerations. We may also consider recent valuations of the reporting unit, including the magnitude of the difference between the most recent fair value estimate and the carrying value, as well as both positive and adverse events and circumstances and the extent to which each of the events and circumstances identified may affect the comparison of a reporting unit’s fair value with its carrying value. If the qualitative assessment results in a conclusion that it is more likely than not that the fair value of a reporting unit exceeds the carrying value, then no further testing is performed for that reporting unit.

When a qualitative assessment is not used, or if the qualitative assessment is not conclusive and it is necessary to calculate the fair value of a reporting unit, then the impairment analysis for goodwill is performed at the reporting unit level under Accounting Standards Update 2017-04, *Intangibles - Goodwill and Other (Topic 350)Simplifying the Test for Goodwill Impairment*. In conducting our goodwill impairment testing, we compare the fair value of the reporting unit with goodwill to the carrying value, using various valuation techniques including income (discounted cash flow) and market approaches. The Company believes the blended use of both approaches compensates for the inherent risk associated with using either one on a stand-alone basis and this combination is indicative of the factors a market participant would consider when performing a similar valuation.

The Company’s goodwill is within its International Staffing segment. Our fiscal 2021 test performed in the second quarter used significant assumptions including expected revenue and expense growth rates, forecasted capital expenditures, working capital levels and a discount rate of 13.0%. Under the market-based approach, significant assumptions included relevant comparable company earnings multiples including the determination of whether a premium or discount should be applied to those comparables. It was determined that the fair value of the reporting unit exceeded its carrying value, therefore no adjustment to the carrying value of goodwill of $5.8 million was required. There were no triggering events in any subsequent quarter of fiscal 2021 that required the Company to perform an interim impairment assessment.

Long-Lived Assets

Long-lived assets primarily consist of right-of-use assets, capitalized software costs, leasehold improvements and office equipment. We review these assets for impairment under Accounting Standards Codification *360 Property, Plant and Equipment* whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Factors that could trigger an impairment review include a current period operating or cash flow loss combined with a history of operating or cash flow losses and a projection or forecast that demonstrates continuing losses or insufficient income associated with the use of a long-lived asset or asset group. Other factors include a significant change in the manner of the use of the asset or a significant negative industry or economic trend. If circumstances require a long-lived asset or asset group be reviewed for possible impairment, the Company first compares undiscounted cash flows expected to be generated by each asset or asset group to its carrying value. An impairment loss is recognized when the estimated undiscounted cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset (if any) are less than the carrying value of the asset. When an impairment loss is recognized, the carrying amount of the asset is reduced to its estimated fair value based on discounted cash flow analysis or other valuation techniques.

In fiscal 2021, the Company’s analyses resulted in impairment charges of $0.4 million of capitalized costs related to a change in the expected use of certain software assets in the Corporate and Other category. There were no additional triggering events in fiscal 2021 that would indicate that the carrying amounts of any other of the Company’s long-lived assets may not be recoverable as of the end of the period. As a result, the Company did not perform any additional steps under ASC 360 which required significant judgement or assumptions.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using current tax laws and rates in effect for the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. We must then assess the likelihood that our deferred tax assets will be realized. If we do not believe that it is more likely than not that our deferred tax assets will be realized, a valuation allowance is established. When a valuation allowance is increased or decreased, a corresponding tax expense or benefit is recorded.

Accounting for income taxes involves uncertainty and judgment in how to interpret and apply tax laws and regulations within our annual tax filings. Such uncertainties may result in tax positions that may be challenged and overturned by a tax authority in the future which would result in additional tax liability, interest charges and possible penalties. Interest and penalties are classified as a component of income tax expense.

We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. Changes in recognition or measurement are reflected in the period in which the change in estimate occurs.

Realization of deferred tax assets is dependent upon reversals of existing taxable temporary differences, taxable income in prior carryback years and future taxable income. Significant weight is given to positive and negative evidence that is objectively verifiable. We have a three-year cumulative loss position which is significant negative evidence in considering whether deferred tax assets are realizable and the accounting guidance restricts the amount of reliance we can place on projected taxable income to support the recovery of the deferred tax assets. A valuation allowance has been recognized due to the uncertainty of realization of our loss carryforwards and other deferred tax assets. Management believes that the remaining deferred tax assets are more likely than not to be realized based upon consideration of all positive and negative evidence, including scheduled reversal of deferred tax liabilities and tax planning strategies determined on a jurisdiction-by-jurisdiction basis.

Casualty Insurance Program

We purchase workers' compensation insurance through mandated participation in certain state funds and the experience-rated premiums in these state plans relieve us of any additional liability. Liability for workers' compensation in all other states as well as automobile and general liability is insured under a paid loss deductible casualty insurance program for losses exceeding specified deductible levels and we are financially responsible for losses below the specified deductible limits. The casualty program is secured by a letter of credit against the DZ Financing Program of $20.9 million as of October 31, 2021.

We recognize expenses and establish accruals for amounts estimated to be incurred, both reported and not yet reported, policy premiums and related legal and other claims administration costs. We develop estimates for claims as well as claims incurred but not yet reported using actuarial principles and assumptions based on historical and projected claim incidence patterns, claim size and the length of time over which payments are expected to be made. Actuarial estimates are updated as loss experience develops, additional claims are reported or settled and new information becomes available. Any changes in estimates are reflected in operating results in the period in which the estimates are changed. Depending on the policy year, adjustments to final expected paid amounts are determined through the ultimate life of the claim. At October 31, 2021 and November 1, 2020, the casualty insurance liability was $13.9 million and $15.2 million, respectively.

Medical Insurance Program

We are self-insured for a portion of our medical benefit programs for our employees. Eligible contingent staff on assignment with customers are offered medical benefits through a fully insured program administered through a third party. Employees contribute a portion of the cost of these medical benefit programs.

To limit exposure on a per claimant basis for the self-insured medical benefits, the Company purchases stop-loss insurance. Our retained liability for the self-insured medical benefits is determined utilizing actuarial estimates of expected claims based on statistical analysis of historical data.

Litigation

We are subject to certain legal proceedings as well as demands, claims and threatened litigation that arise in the normal course of our business. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, a liability and an expense are recorded for the estimated loss. Significant judgment is required in both the determination of probability and the determination of whether an exposure is reasonably estimable. Development of the accrual includes consideration of many factors including potential exposure, the status of proceedings, negotiations, discussions with internal and outside counsel, results of similar litigation and, in the case of class action lawsuits, participation rates. As additional information becomes available, we will revise the estimates. If the actual outcome of these matters is different than expected, an adjustment is charged or credited to expense in the period the outcome occurs or the period in which the estimate changes. To the extent that an insurance company is contractually obligated to reimburse us for a liability, we record a receivable for the amount of the probable reimbursement.

Accounts Receivable

We make ongoing estimates relating to the collectability of our trade accounts receivable and maintain an allowance for estimated losses resulting from the inability of our customers to make required payments. In determining the amount of the allowance for uncollectible accounts receivable, we make judgments on a customer-by-customer basis based on the customer's current financial situation, such as bankruptcies and other difficulties collecting amounts billed. Losses from uncollectible accounts have not exceeded our allowance historically. As we cannot predict with certainty future changes in the financial stability of our customers, actual future losses from uncollectible accounts may differ from our estimates. If the financial condition of our customers were to deteriorate, resulting in their inability to make payments, a larger allowance may be required. In the event we determined that a smaller or larger allowance was appropriate, we would record a credit or a charge to Selling, administrative and other operating costs in the period in which we made such a determination.

New Accounting Standards

For additional information regarding new accounting guidance see Note 1 - Summary of Business and Significant Accounting Policies in our Consolidated Financial Statements.

ITEM 7A. ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***

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 October 31, 2021, we had cash and cash equivalents on which interest income is earned at variable rates. At October 31, 2021, we had a long-term $100.0 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, notes payable to banks 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 $0.2 million or a hypothetical 1-percentage-point decrease in interest rates would have decreased net interest expense by a $0.2 million in fiscal 2021.

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, Indian Rupee, Singapore Dollar and Canadian Dollar. 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 at the fiscal year-end balance sheet date. Income and expenses accounts are translated at an average exchange rate during the year which approximates the rates in effect at the transaction dates. The resulting translation adjustments are recorded in stockholders' equity as a component of accumulated other comprehensive income (loss). The U.S. dollar weakened relative to many foreign currencies as of October 31, 2021 compared to November 1, 2020. Consequently, stockholders' equity increased by $0.2 million as a result of the foreign currency translation as of October 31, 2021.

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 October 31, 2021 would result in an approximate $1.8 million positive translation adjustment recorded in other comprehensive income within stockholders' equity. Conversely, a hypothetical 10% appreciation of the U.S. dollar as compared to these currencies as of October 31, 2021 would result in an approximately $1.8 million negative translation adjustment recorded in other comprehensive income within stockholders' equity. We do not use derivative instruments for trading or other speculative purposes.

ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

Our financial statements and supplementary data are included at the end of this report beginning on page F-1. See the index appearing on the pages following this report.

ITEM 9. ***CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE***
None

ITEM 9A. *CONTROLS AND PROCEDURES*

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of the Company's management, our Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") were effective as of October 31, 2021 to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to the Company's management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the criteria set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on the Company's assessment, management has concluded that its internal control over financial reporting was effective as of October 31, 2021 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP.

This Annual Report on Form 10-K does not include an audit report on internal control over financial reporting by the Company's registered public accounting firm. The Company's internal control over financial reporting was not subject to audit by the Company's registered public accounting firm pursuant to the SEC's Exchange Act Rule 12b-2 that permits the Company to provide only management's assessment report for the year ended October 31, 2021.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting which occurred during the fiscal quarter ended October 31, 2021, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Inherent Limitations of Internal Control

Management, including the Company's Chief Executive Officer and Chief Financial Officer, does not expect that the Company's internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, any evaluation of the effectiveness of internal controls in future periods are subject to the risk that those internal controls may become inadequate because of changes in business conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ITEM 9B. *OTHER INFORMATION*

None

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

The information required to be furnished pursuant to this item will be set forth under the captions “Proposal One: Election of Directors,” “Executive Officers,” “Corporate Governance,” “Section 16(a) Beneficial Ownership Reporting Compliance” and “Miscellaneous - Available Information” in the Company’s Proxy Statement for our 2022 Annual Meeting of Shareholders (the “Proxy Statement”) or in an amendment to this Annual Report, which information is incorporated herein by reference.

ITEM 11. *EXECUTIVE COMPENSATION*

The information required to be furnished pursuant to this item is incorporated by reference from the information set forth under the caption “Executive Compensation” in the Proxy Statement or in an amendment to this Annual Report, which information is incorporated herein by reference.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS*

The information required to be furnished pursuant to this item will be set forth under the caption “Security Ownership of Certain Beneficial Owners and Management” in the Proxy Statement or in an amendment to this Annual Report, which information is incorporated herein by reference.

ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE*

The information required to be furnished pursuant to this item will be set forth under the captions “Transactions With Related Persons” and “Corporate Governance - Director Independence” in the Proxy Statement or in an amendment to this Annual Report, which information is incorporated herein by reference.

ITEM 14. *PRINCIPAL ACCOUNTING FEES AND SERVICES*

The information required to be furnished pursuant to this item will be set forth under the caption “Principal Accountant Fees and Services” in the Proxy Statement or in an amendment to this Annual Report, which information is incorporated herein by reference.

PART IV

ITEM 15. *EXHIBITS, FINANCIAL STATEMENT SCHEDULES*

(a)(1) Financial Statements

The following documents are filed as a part of this report:

(a)(2) Financial Statement Schedules

All schedules have been omitted because the required information is included in the Consolidated Financial Statements or the notes thereto, or because they are not required.

(b) 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. 001-09232)
10.1*	2006 Incentive Stock Plan (incorporated by reference to Exhibit A to the Company's Proxy Statement filed February 27, 2007; File No. 001-09232)
10.2*	Form of Restricted Stock Grant Notice for Employees (incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2010 filed April 9, 2013; File No. 001-09232)
10.3*	Form of Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed April 13, 2009; File No. 001-09232)
10.4	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2005 filed September 9, 2005; File No. 001-09232)
10.5*	2015 Equity Incentive Plan (incorporated by reference to Appendix A to the Company's Proxy Statement filed February 29, 2016; File No. 001-09232)
10.6	Lease Agreement, dated February 25, 2016, by and between Glassell Grand Avenue Partners, LLC and Volt Information Sciences, Inc. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed March 1, 2016; File No. 001-09232)
10.7*	Volt Information Sciences, Inc. Deferred Compensation and Supplemental Savings Plan, amended and restated effective June 8, 2016 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 1, 2016 filed June 9, 2016; File No. 001-09232)
10.8*	Volt Information Sciences, Inc. Annual Incentive Plan, effective September 7, 2016 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2016 filed September 9, 2016; File No. 001-09232)
10.9*	Employment Agreement, dated as of June 12, 2017, between the Company and Leonard Naujokas (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 12, 2017; File No. 001-09232)
10.10*	Volt Information Sciences, Inc. Form of Performance Stock Unit Award Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 19, 2018; File No. 001-09232)
10.11*	Volt Information Sciences, Inc. Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed June 19, 2018; File No. 001-09232)
10.12*	Employment Agreement, dated December 4, 2018, between the Company and Linda Perneau (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed December 6, 2018; File No. 001-09232)
10.13*	2019 Equity Incentive Plan (incorporated by reference to Appendix A to the Company's Proxy Statement filed February 22, 2019; File No. 001-09232)
10.14*	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. 001-09232)
10.15	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. 001-09232)
10.16	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. 001-09232)
10.17	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. 001-09232)
10.18	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. 001-09232)
10.19*	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. 001-09232)
10.20*	Volt Information Sciences, Inc. Form of Performance Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed September 6, 2019; File No. 001-09232)
10.21*	Volt Information Sciences, Inc. Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed September 6, 2019; File No. 001-09232)

10.22*	Volt Information Sciences, Inc. Form of Director Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed September 6, 2019; File No. 001-09232)
10.23*	Volt Information Sciences, Inc. Form of Director Deferred Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed September 6, 2019; File No. 001-09232)
10.24*	Amendment to Employment Agreement, dated November 4, 2019, between Nancy Avedissian and Volt InformationSciences, Inc. (incorporated by reference to Exhibit 10.37 to the Company's Annual Report on Form 10-K for the fiscal year ended November 3, 2019 filed January 16, 2020; File No. 001-09232)
10.25*	Amendment to Employment Agreement, dated December 30, 2019, between Linda Perneau and Volt InformationSciences, Inc. (incorporated by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K for the fiscal year ended November 3, 2019 filed January 16, 2020; File No. 001-09232)
10.26	Amendment No. 1, dated January 14, 2020, to the Amended and Restated Receivables Loan and Security Agreement. dated 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 10.39 to the Company's Annual Report on Form 10-K for the fiscal year ended November 3, 2019 filed January 16, 2020; File No. 001-09232)
10.27	Amendment No. 2 dated March 12, 2020 to the Amended and Restated Receivables Loan and Security Agreement dated as of July 19, 2019, 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 Quarterly Report on Form 10-Q filed March 13, 2020; File No. 001-09232)
10.28	Amendment No. 3 dated June 11, 2020 to the Amended and Restated Receivables Loan and Security Agreement dated as of July 19, 2019, 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 DZBANK 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 Quarterly Report on Form 10-Q filed June 17, 2020; File No. 001-09232)
10.29	Amendment No. 4 dated October 2, 2020 to the Amended and Restated Receivables Loan and Security Agreement, dated as of July 19, 2019, 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 October 7, 2020; File No. 001-09232)
10.30	Amendment No. 5 dated December 17, 2020 to the 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 filedDecember 18, 2020; File No. 001-09232)
10.31*	2021 Equity Incentive Plan (incorporated by reference to Appendix A to the Company's Proxy Statement filed February 26, 2021; File No. 001-09232)
10.32*	Compensatory Arrangements of Certain Officers (incorporated by reference to the Company's Current Report on Form 8-K filedJune 11, 2021; File No. 001-09232)
10.33*	Compensatory Arrangements of Certain Officers (incorporated by reference to the Company's Current Report on Form 8-K filed December 22, 2021; File No. 001-09232)
21	Subsidiaries of the Registrant
23	Consent of Independent Registered Public Accounting Firm
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 and 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.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Management contracts and compensatory plans or arrangements required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: January 12, 2022	By:	/s/ Linda Perneau Linda Perneau President and Chief Executive Officer (Principal Executive Officer)
Date: January 12, 2022	By:	/s/ Herbert M. Mueller Herbert M. Mueller Senior Vice President and Chief Financial Officer (Principal Financial Officer)
Date: January 12, 2022	By:	/s/ Leonard Naujokas Leonard Naujokas Controller, Chief Accounting Officer and Treasurer (Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: January 12, 2022	By:	/s/ William J. Grubbs William J. Grubbs Chairman of the Board
Date: January 12, 2022	By:	/s/ Linda Perneau Linda Perneau President and Chief Executive Officer (Principal Executive Officer)
Date: January 12, 2022	By:	/s/ Celia R. Brown Celia R. Brown Director
Date: January 12, 2022	By:	/s/ Nick S. Cyprus Nick S. Cyprus Director
Date: January 12, 2022	By:	/s/ Bruce G. Goodman Bruce G. Goodman Director
Date: January 12, 2022	By:	/s/ Arnold Ursaner Arnold Ursaner Director

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Volt Information Sciences, Inc. and subsidiaries:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Volt Information Sciences, Inc. and subsidiaries (the Company) as of October 31, 2021 and November 1, 2020, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at October 31, 2021 and November 1, 2020, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosure to which it relates.

	Casualty Insurance Program Accrual
Description of the Matter	As of October 31, 2021, the Company's liability for casualty insurance was $13.9 million. As discussed in Note 10 to the consolidated financial statements, the casualty insurance program accrual includes the estimated cost of workers' compensation, general and automobile insurance claims for which the Company is liable. These accruals include estimates for known claims as well as claims incurred but not yet reported. The Company estimates the liability using actuarial principles and assumptions based on historical and projected claim incidence patterns, claim size and the length of time over which payments are expected to be made. Auditing the casualty insurance program accrual was complex, and involved specialized skill and knowledge, due to the significant valuation uncertainty associated with the estimate, management's application of complex judgments, and the use of actuarial methods.
How We Addressed the Matter in Our Audit	Our audit procedures to test the accuracy of the casualty insurance accrual and related expense included, among others, testing the completeness and accuracy of the underlying data used in the Company's calculations, confirming the losses incurred to date with the claims processor and comparing the amounts paid to the insurance company to supporting invoices. In addition, we involved our actuarial specialists to assist in our evaluation of the methodologies and assumptions applied by management, including the impact of COVID-19. With the assistance of our specialists, we developed an independent range of estimated losses including the estimated future cost of claims incurred, based on the Company's historical data and industry factors. We evaluated the classification of the balance sheet amounts as current and non-current liabilities.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1968.

New York, New York
January 12, 2022

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

	Year Ended	
	October 31, 2021	November 1, 2020
NET REVENUE	**$ 885,393**	**$ 822,055**
Cost of services	741,871	694,204
GROSS MARGIN	**143,522**	**127,851**
Selling, administrative and other operating costs	135,427	137,666
Restructuring and severance costs	2,839	2,641
Impairment charges	424	16,913
OPERATING INCOME (LOSS)	**4,832**	**(29,369)**
OTHER INCOME (EXPENSE), NET		
Interest income	37	78
Interest expense	(1,805)	(2,297)
Foreign exchange gain (loss), net	318	(85)
Other income (expense), net	(605)	(869)
TOTAL OTHER INCOME (EXPENSE), NET	**(2,055)**	**(3,173)**
INCOME (LOSS) BEFORE INCOME TAXES	**2,777**	**(32,542)**
Income tax provision	1,403	1,045
NET INCOME (LOSS)	**$ 1,374**	**$ (33,587)**
PER SHARE DATA:		
Basic:		
Net income (loss)	**$ 0.06**	**$ (1.56)**
Weighted average number of shares	21,884	21,507
Diluted:		
Net income (loss)	**$ 0.06**	**$ (1.56)**
Weighted average number of shares	22,609	21,507

The accompanying notes are an integral part of these consolidated financial statements.

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

	Year Ended	
	October 31, 2021	November 1, 2020
NET INCOME (LOSS)	**$ 1,374**	**$ (33,587)**
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of taxes	209	343
COMPREHENSIVE INCOME (LOSS)	**$ 1,583**	**$ (33,244)**

The accompanying notes are an integral part of these consolidated financial statements.

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

	October 31, 2021	November 1, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 71,373	$ 38,550
Restricted cash	5,236	17,883
Short-term investments	3,493	2,853
Trade accounts receivable, net of allowances of $137 and $219, respectively	127,211	121,916
Other current assets	6,229	7,058
TOTAL CURRENT ASSETS	**213,542**	**188,260**
Property, equipment and software, net	17,482	22,167
Right-of-use assets - operating leases, net	22,496	25,107
Other assets, excluding current portion	6,584	6,311
TOTAL ASSETS	**$ 260,104**	**$ 241,845**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accrued compensation	$ 22,629	$ 18,357
Accounts payable	36,544	31,221
Accrued taxes other than income taxes	31,112	12,983
Accrued insurance and other	16,298	15,908
Operating lease liabilities	6,775	7,144
Income taxes payable	956	891
TOTAL CURRENT LIABILITIES	**114,314**	**86,504**
Accrued payroll taxes and other, excluding current portion	21,832	30,081
Operating lease liabilities - excluding current portion	33,558	38,232
Long-term debt, net	59,307	59,154
TOTAL LIABILITIES	**229,011**	**213,971**
Commitments and contingencies		
STOCKHOLDERS' EQUITY:		
Preferred stock, par value $1.00; Authorized - 500,000 shares; Issued - none	—	—
Common stock, par value $0.10; Authorized - 120,000,000.00 shares; Issued - 23,738,003; Outstanding - 22,099,246 and 21,729,400, respectively	2,374	2,374
Paid-in capital	80,062	79,937
Retained deficit	(32,208)	(29,793)
Accumulated other comprehensive loss	(6,249)	(6,458)
Treasury stock, at cost; 1,638,757 and 2,008,603 shares, respectively	(12,886)	(18,186)
TOTAL STOCKHOLDERS' EQUITY	**31,093**	**27,874**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 260,104**	**$ 241,845**

The accompanying notes are an integral part of these consolidated financial statements.

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

	Common Stock $0.10 Par Value						
	Shares	Amount	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
BALANCE AT NOVEMBER 3, 2019	**23,738,003**	**$ 2,374**	**$ 77,688**	**$ (10,917)**	**$ (6,801)**	**$ (26,155)**	**$ 36,189**
Effect of new accounting principle	—	—	—	22,216	—	—	22,216
Net loss	—	—	—	(33,587)	—	—	(33,587)
Share-based compensation	—	—	1,736	—	—	—	1,736
Issuance of common stock	—	—	513	(7,505)	—	7,969	977
Other comprehensive income	—	—	—	—	343	—	343
BALANCE AT NOVEMBER 1, 2020	**23,738,003**	**$ 2,374**	**$ 79,937**	**$ (29,793)**	**$ (6,458)**	**$ (18,186)**	**$ 27,874**
Net income	—	—	—	1,374	—	—	1,374
Share-based compensation	—	—	2,101	—	—	—	2,101
Issuance of common stock	—	—	(1,976)	(3,789)	—	5,300	(465)
Other comprehensive income	—	—	—	—	209	—	209
BALANCE AT OCTOBER 31, 2021	**23,738,003**	**$ 2,374**	**$ 80,062**	**$ (32,208)**	**$ (6,249)**	**$ (12,886)**	**$ 31,093**

The accompanying notes are an integral part of these consolidated financial statements.

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

	Year Ended	
	October 31, 2021	November 1, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 1,374	$ (33,587)
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities:		
Depreciation and amortization	7,560	7,981
Non-cash operating lease expense	8,889	7,611
Release of doubtful accounts and sales allowances	(114)	(13)
Unrealized foreign currency exchange (gain) loss	(4)	621
Impairment charges	424	16,913
Loss (gain) on dispositions of property, equipment and software	14	(287)
Deferred income tax provision (benefit)	79	(11)
Share-based compensation expense	2,101	1,736
Change in operating assets and liabilities:		
Trade accounts receivable	(5,155)	14,057
Other assets	641	1,209
Accounts payable	5,278	(5,166)
Accrued expenses and other liabilities	2,817	7,897
Income taxes	(37)	(807)
Net cash provided by operating activities	**23,867**	**18,154**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales of investments	532	822
Purchases of investments	(500)	(582)
Proceeds from sales of property, equipment and software	20	399
Purchases of property, equipment and software	(3,112)	(5,268)
Net cash used in investing activities	**(3,060)**	**(4,629)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	—	(15,000)
Draw-down on borrowings	—	20,000
Debt issuance costs	(166)	(343)
Other	(414)	(77)
Net cash provided by (used in) financing activities	**(580)**	**4,580**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(51)	(116)
Net increase in cash, cash equivalents and restricted cash	20,176	17,989
Cash, cash equivalents and restricted cash, beginning of year	56,433	38,444
Cash, cash equivalents and restricted cash, end of year	**$ 76,609**	**$ 56,433**
Cash paid during the year:		
Interest	$ 1,806	$ 2,297
Income taxes	$ 587	$ 1,979
Reconciliation of cash, cash equivalents and restricted cash		
Current assets:		
Cash and cash equivalents	$ 71,373	$ 38,550
Restricted cash	5,236	17,883
Cash, cash equivalents and restricted cash, end of the period	**$ 76,609**	**$ 56,433**

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1: Summary of Business and Significant Accounting Policies

Volt Information Sciences, Inc. (the "Company" or "Volt") is 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") involve managing the procurement and on-boarding of contingent workers from multiple providers.

Our complementary businesses offer customized talent and supplier management solutions to a diverse client base. Volt services global industries including aerospace, automotive, banking and finance, consumer electronics, information technology, insurance, life sciences, manufacturing, media and entertainment, pharmaceutical, software, telecommunications, transportation and utilities. The Company was incorporated in New York in 1957. The Company's stock is traded on the NYSE AMERICAN under the symbol "VOLT".

(a) Fiscal Year

The Company's fiscal year ends on the Sunday nearest October 31st. The fiscal years 2021 and 2020 consisted of 52 weeks.

(b) Consolidation

The consolidated financial statements include the accounts of the Company and all subsidiaries over which the Company exercises control. All intercompany balances and transactions have been eliminated in consolidation.

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, the Company evaluates its estimates, assumptions and judgments, including those related to revenue recognition, allowance for doubtful accounts, casualty reserves, valuation of goodwill, intangible assets and other long-lived assets, share-based compensation, employee benefit plans, restructuring and severance accruals, income taxes and related valuation allowances and loss contingencies. Actual results could differ from those estimates and changes in estimates are reflected in the period in which they become known.

(d) 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. Volt generally determines the standalone selling prices based on the prices included in the customer contracts. The Company's revenue is recorded net of any sales or other similar taxes collected from its customers.

The majority of customer contracts have single performance obligations that the Company satisfies over time and 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.

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.

In 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.

Refer to Note 3, Revenue Recognition for the revenue policies related to each specific transaction type.

(e) Expense Recognition

Cost of Services

Cost of services consists primarily of contingent worker payroll, related employment taxes and benefits and the cost of facilities used by contingent workers in fulfilling assignments and projects for staffing services customers, including reimbursable costs. Indirect costs are included in Selling, administrative and other operating costs in the Consolidated Statements of Operations. The Cost of services differ from the cost included within Selling, administrative and other operating costs in that they arise specifically and directly from the actions of providing staffing services to customers.

Gross margin is calculated as revenue less cost of services.

Selling, Administrative and Other Operating Costs

Selling, administrative and other operating costs primarily relate to the Company's selling and administrative efforts, as well as the indirect costs associated with providing services.

(f) Comprehensive Income (Loss)

Comprehensive income (loss) is the net income (loss) of the Company combined with other changes in stockholders' equity not involving ownership interest changes. The Company recognizes foreign currency translation as comprehensive income (loss).

(g) Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(h) Short-Term Investments and Related Deferred Compensation, Net

The Company has a nonqualified deferred compensation and supplemental savings plan that permits eligible employees to defer a portion of their compensation. The employee compensation deferral is invested in short-term investments corresponding to the employees' investment selections, primarily mutual funds, which are held in a trust and are reported at current market prices. The liability associated with the nonqualified deferred compensation and supplemental savings plan consists of participant deferrals and earnings thereon and is reflected as a current liability within Accrued compensation in an amount equal to the fair value of the underlying short-term investments held in the plan. Changes in asset values result in offsetting changes in the liability as the employees realize the rewards and bear the risks of their investment selections.

(i) Long-Lived Assets

i. Property, Equipment and Software, Net

Property and equipment are stated at cost and depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Costs for both on-premise and cloud computing software that will be used for internal purposes and incurred during the application development stage are capitalized and amortized to expense over the estimated useful life of the underlying software. Training and maintenance costs are expensed as incurred.

The major classifications of property, equipment and software, including their respective expected useful lives, consisted of the following:

Machinery and Equipment	3 to 15 years
Leasehold improvements	Shorter of length of lease or life of the asset
Software	3 to 7 years

ii. Leases

The Company adopted Accounting Standards Codification ("ASC") 842, *Leases* in the first quarter of fiscal 2020 and recognized assets and liabilities for leases with lease terms greater than twelve months in the statement of financial position. Volt determines if an arrangement meets the criteria of a lease at inception, at which time it also performs an analysis to determine whether the lease qualifies as operating or financing.

Operating lease liabilities represent the present value of lease payments not yet paid. Right-of-use ("ROU") assets represent Volt's right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepaid or accrued lease payments, initial direct costs, lease incentives and impairment of operating lease assets. As the rate implicit in the lease is not readily determinable, the Company used its incremental borrowing rates based on the information available at the lease commencement date in determining the present value of lease payments. To determine the present value of lease payments not yet paid, the Company estimates incremental secured borrowing rates corresponding to the maturities of the leases.

iii. Impairment

The Company reviews its long-lived assets for impairment under ASC 360*Property, Plant and Equipment* whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When an impairment loss is recognized, the carrying amount of the asset is reduced to its estimated fair value based on an undiscounted cash flow analysis.

(j) Goodwill

Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized. The Company applies the method of assessing goodwill for possible impairment permitted by Accounting Standards Update ("ASU") No. 2017-04, *Intangibles – Goodwill and Other (Topic 350) Simplifying the Test for Goodwill Impairment*. This guidance allows for an initial qualitative test at the reporting unit level to determine if a quantitative analysis is needed. If the qualitative assessment results in a conclusion that it is more likely than not that the fair value of a reporting unit exceeds the carrying value, then no further testing is performed for that reporting unit.

The Company performs its annual impairment review of goodwill in its second fiscal quarter and when a triggering event occurs between annual impairment tests.In fiscal 2021, the Company decided to bypass the qualitative testing and perform the quantitative analysis. In conducting the goodwill impairment test, the fair value of a reporting unit is compared with its carrying amount utilizing various valuation techniques. If the fair value of the reporting unit exceeds its carrying value, then no further testing is performed. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill.

(k) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using current tax laws and rates in effect for the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized within income in the period that includes the enactment date. The Company must then assess the likelihood that its deferred tax assets will be realized. If the Company does not believe that it is more likely than not that its deferred tax assets will be realized, a valuation allowance is established. When a valuation allowance is increased or decreased, a corresponding tax expense or benefit is recorded.

Accounting for income taxes involves uncertainty and judgment in how to interpret and apply tax laws and regulations within the Company's annual tax filings. Such uncertainties may result in tax positions that may be challenged and overturned by a tax authority in the future, which would result in additional tax liability, interest charges and possible penalties. Interest and penalties are classified as a component of income tax expense.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. Changes in recognition or measurement are reflected in the period in which the change in estimate occurs.

(l) Share-Based Compensation

The Company accounts for share-based awards as either equity or liability awards based upon the characteristics of each instrument. The compensation cost is measured based on the grant date fair value of the award. The fair value of liability awards is re-measured periodically based on the effect that the market condition has on these awards. The share-based compensation expense for all awards is recognized over the requisite service or performance periods as a cost in Selling, administrative and other operating costs in the Company's Consolidated Statements of Operations. The Company has elected to account for forfeitures as they occur. If there are any modifications or cancellations of the underlying unvested awards, the Company may be required to accelerate any remaining unearned share-based compensation cost or incur incremental cost.

(m) Foreign Currency

Assets and liabilities of non-U.S. subsidiaries that operate in a local currency environment, where that local currency is the functional currency, are translated to U.S. dollars at exchange rates in effect at the balance sheet date. Income and expense accounts are translated at average exchange rates during the year which approximate the rates in effect at the transaction dates. The resulting translation adjustments are directly recorded to a separate component of Accumulated other comprehensive income (loss). Gains and losses arising from intercompany foreign currency transactions that are of a long-term nature are reported in the same manner as translation adjustments. Gains and losses arising from intercompany foreign currency transactions that are not of a long-term nature and certain transactions of the Company's subsidiaries which are denominated in currencies other than the subsidiaries' functional currency are recognized as incurred in Foreign exchange gain (loss), net in the Consolidated Statements of Operations.

(n) Fair Value Measurement

Assets and liabilities recorded at fair value are measured and classified in accordance with ASC 820,*Fair Value Measurements*, using a three-tier fair value hierarchy based on the observability of the inputs available in the market to measure fair value. Please refer to Note 5 for further detail.

(o) Legal and Other Contingencies

The Company is involved in various demands, claims and actual and threatened litigation that arise in the normal course of business. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, a liability and an expense are recorded for the estimated loss. Significant judgment is required in both the determination of probability and the determination of whether an exposure is reasonably estimable. Actual expenses could differ from these estimates in subsequent periods as additional information becomes known.

(p) Concentrations of Credit Risk

Cash and cash equivalents are maintained with several financial institutions and deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and the Company mitigates its credit risk by spreading its deposits across multiple financial institutions and monitoring their respective risk profiles.

(q) Restructuring and Severance Costs

The Company accounts for restructuring activities in accordance with ASC 420,*Exit or Disposal Cost Obligations.* Under the guidance, for the cost of restructuring activities that do not constitute a discontinued operation, the liability for the current fair value of expected future costs associated with such restructuring activity is recognized in the period in which the liability is incurred. The costs of restructuring activities taken pursuant to a management approved restructuring plan are segregated.

(r) Earnings (Loss) Per Share

Basic earnings per share is calculated by dividing net income (loss) by the weighted-average number of common shares outstanding during the period. The diluted earnings per share computation includes the effect of potential common shares outstanding during the period. Potential common shares include the dilutive effects of shares that would be issuable upon the exercise of outstanding "in the money" stock options and unvested restricted stock units. The dilutive impact is determined by applying the treasury stock method. Performance-based share awards are included in the computation of diluted earnings per share only to the extent that the underlying performance conditions: (i) are satisfied by the end of the reporting period, or (ii) would be satisfied if the end of the reporting period were the end of the related performance period and the result would be dilutive.

(s) Treasury Stock

The Company records treasury stock at the cost to acquire it and includes treasury stock as a component of Stockholders' Equity. In determining the cost of the treasury shares when either sold or issued, the Company uses the FIFO (first-in, first-out) method. If the proceeds from the sale of the treasury shares are greater than the cost of the shares sold, the excess proceeds are recorded as additional paid-in capital. If the proceeds from the sale of the treasury shares are less than the original cost of the shares sold, the excess cost first reduces any additional paid-in capital arising from previous sales of treasury shares for that class of stock and any additional excess is recorded as a reduction of retained earnings.

(t) Reclassifications

Certain reclassifications have been made to the prior year Consolidated Balance Sheet in order to conform to the current year's presentation.

(u) New Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its consolidated financial position or results of operations upon adoption.

New Accounting Standards Not Yet Adopted by the Company

In November 2021, the FASB issued ASU 2021-10,*Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance* This update requires annual disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy. This standard is effective for annual periods beginning after December 15, 2021. Early adoption is permitted. The amendments should be applied either (1) prospectively to all transactions within the scope of the amendments that are reflected in financial statements at the date of initial application and new transactions that are entered into after the date of initial application or (2) retrospectively to those transactions. The Company is required to adopt the guidance in the first quarter of fiscal 2023. The Company is currently evaluating the impact of these amendments on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13,*Financial Instruments - Credit Losses (*ASC Topic 326), as clarified in ASU 2019-04, ASU 2019-05, ASU 2019-11 and ASU 2018-19, amending how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The guidance requires the application of a current expected credit loss model, which is a new impairment model based on expected losses. Under this model, an entity recognizes an allowance for expected credit losses based on historical experience, current conditions and forecasted information rather than the current methodology of delaying recognition of credit losses until it is probable a loss has been incurred. The amendments for Smaller Reporting Companies are effective for fiscal years beginning after December 15, 2022, which for the Company will be the first quarter of fiscal 2024. The Company expects to early adopt this ASU in the first quarter of fiscal 2023. 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.

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 March 2020, the FASB issued ASU 2020-04,*Reference Rate Reform (Topic 848) - Facilitation of the Effects of Reference Rate Reform on Financial Reporting*("ASU 2020-04"). ASU 2020-04 provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. The amendments in this update apply only to contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. ASU 2020-04 was effective for the Company in the first quarter of fiscal 2021. The Company's securitization program references the LIBOR rate but only as a secondary rate to be used under specific circumstances. The adoption of this guidance had no significant impact on the Company's consolidated financial statements.

In August 2018, the FASB issued 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 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 was effective for the Company in the first quarter of fiscal 2021. The adoption of this guidance had no significant impact on the Company's consolidated financial statements.

All other ASUs that became effective for Volt for fiscal 2021 were not applicable to the Company at this time and therefore, did not have any impact during the period.

NOTE 2: Leases

The Company adopted ASC 842, *Leases* on November 4, 2019 using the modified transition method without retrospective application to comparative periods. The Company elected the package of three practical expedients allowed for under the transition guidance. Accordingly, the Company did not reassess: (1) whether any expired or existing contracts are/or contain leases; (2) the lease classification for any expired or existing leases; or (3) initial direct costs for any existing leases. The Company has also elected not to recognize ROU assets and lease liabilities for short-term leases that have a term of 12 months or less.

Upon adoption, the Company recorded approximately $47.2 million of ROU assets and $52.0 million of lease liabilities related to operating leases in the Consolidated Balance Sheets. The Company also recognized a $22.2 million cumulative-effect adjustment to retained earnings related to the deferred gain on the sale and leaseback of real estate.

The Company's material leases are classified as operating and consist of branch locations, as well as corporate office space. Our leases have remaining terms ofl - 9 years. The lease term is the minimum of the non-cancelable period of the lease or the lease term inclusive of reasonably certain renewal option periods.

The Company has elected the practical expedient to not separate non-lease components from the lease components to which they relate and instead account for each as a single lease component, for all underlying asset classes. Some leasing arrangements require variable payments that are dependent on usage or may vary for other reasons, such as payments for insurance, tax payments and other miscellaneous costs. The variable portion of lease payments is not included in the ROU assets or lease liabilities. Rather, variable payments, other than those dependent upon an index or rate, are expensed when the obligation for those payments is incurred and are included in lease expenses. Accordingly, all expenses associated with a lease contract are accounted for as lease expenses.

Operating leases are included in Right-of-use assets - operating leases and Operating lease liabilities, current and long-term, in the Consolidated Balance Sheet. Lease expense for operating leases is recognized on a straight-line basis over the lease term and is included in Selling, administrative and other operating costs in the Consolidated Statement of Operations. The Company's finance lease arrangements are immaterial.

	Year Ended	
Components of Lease Expense (in thousands)	**October 31, 2021**	**November 1, 2020**
Operating lease expense	$ 8,785	$ 10,990
Sublease income	(1,799)	(1,577)
Variable lease expense	1,550	760
Total (1) (2)	**$ 8,536**	**$ 10,173**

(1) The Company's short-term lease expense is immaterial.
(2) Lease expense included in restructuring is approximately $ 2.1 million and $0.3 million in fiscal 2021 and 2020, respectively.

	Year Ended	
Supplemental Cash Flows Information (in thousands)	**October 31, 2021**	**November 1, 2020**
Cash paid for amounts included in the measurement of operating lease liabilities	$ 10,829	$ 8,784
Operating ROU assets obtained in exchange for operating lease liabilities	$ 3,122	$ 1,784

	Year Ended	
Weighted Average Remaining Lease Term and Discount Rate	**October 31, 2021**	**November 1, 2020**
Weighted average remaining lease term (years)	7.4	7.9
Weighted average discount rate	6.3 %	6.3 %

Maturities of Lease Liabilities (in thousands)	As of October 31, 2021	
Fiscal Year	**Amount**	
2022	$	9,022
2023		7,622
2024		6,028
2025		5,418
2026		4,283
Thereafter		18,704
Total future lease payments	**$**	**51,077**
Less: Imputed interest		10,626
Total lease liabilities	**$**	**40,451**

NOTE 3: Revenue Recognition

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. Volt generally acts as an agent in its transactions within its MSP programs. 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 the Company 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 the Company's segment revenues disaggregated by service type (in thousands):

	Fiscal Year Ended October 31, 2021					
Segment	**Total**	**North American Staffing**	**International Staffing**	**North American MSP**	**Corporate and Other**	**Eliminations**
Service Revenues:						
Staffing Services	$ 845,135	$ 729,830	$ 87,574	$ 27,380	$ 456	$ (105)
Direct Placement Services	16,357	8,937	5,389	2,031	—	—
Managed Service Programs	23,901	—	14,000	9,901	—	—
	$ 885,393	**$ 738,767**	**$ 106,963**	**$ 39,312**	**$ 456**	**$ (105)**
Geographical Markets:						
Domestic	$ 774,093	$ 735,209	$ —	$ 38,959	$ —	$ (75)
International	111,300	3,558	106,963	353	456	(30)
	$ 885,393	**$ 738,767**	**$ 106,963**	**$ 39,312**	**$ 456**	**$ (105)**

	Fiscal Year Ended November 1, 2020					
Segment	**Total**	**North American Staffing**	**International Staffing**	**North American MSP**	**Corporate and Other**	**Eliminations**
Service Revenues:						
Staffing Services	$ 791,163	$ 683,635	$ 83,308	$ 24,483	$ 674	$ (937)
Direct Placement Services	11,820	5,460	3,703	2,657	—	—
Managed Service Programs	19,072	—	8,297	10,775	—	—
	$ 822,055	**$ 689,095**	**$ 95,308**	**$ 37,915**	**$ 674**	**$ (937)**
Geographical Markets:						
Domestic	$ 722,985	$ 686,252	$ —	$ 37,582	$ —	$ (849)
International	99,070	2,843	95,308	333	674	(88)
	$ 822,055	**$ 689,095**	**$ 95,308**	**$ 37,915**	**$ 674**	**$ (937)**

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 and records a sales allowance as a liability. The Company maintains a sales allowance for any potential billing errors and service-related adjustments to the customer. The amount of the sales allowance is determined based on a historical transaction analysis and any additions to the sales allowance are recorded as a reduction to net revenue.

As of October 31, 2021 and November 1, 2020, the change in the reserve balance was a decrease of $0.1 million and $0.1 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 the Consolidated Balance Sheets. The Company does not have any material contract assets or long-term contract liabilities as of October 31, 2021 and November 1, 2020.

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. Deferred fulfillment costs were immaterial as of October 31, 2021 and November 1, 2020.

Economic Factors

The Company's operations are subject to variations in the economic condition and regulatory environment in their jurisdictions of operations. Adverse economic conditions may severely reduce the demand for the Company’s services and directly impact the revenue. In addition, the Company faces risks in complying with various legal requirements and unpredictable changes in both U.S. and foreign regulations which may have a financial impact on the business and operations.

The global spread of COVID-19 created significant volatility, uncertainty and global macroeconomic disruption. Our business, results of operations and financial condition have been and may continue to be adversely impacted by the coronavirus pandemic and future adverse impacts could be material and are difficult to predict.

NOTE 4: Restricted Cash and Short-Term Investments

Restricted cash primarily includes amounts related to requirements under certain contracts with MSP 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 are 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 October 31, 2021 and November 1, 2020 restricted cash included $3.8 million and $9.2 million, respectively, restricted for payment to associate vendors and $0.5 million in both periods, restricted for other collateral accounts.

At October 31, 2021 and November 1, 2020, restricted cash also included $0.9 million and $8.2 million, respectively, restricted under the Company’s long-term accounts receivable securitization program (“DZ Financing Program”) with DZ Bank AG Deutsche Zentral-Genossenschaftsbank (“DZ Bank”). At October 31, 2021, this cash was restricted as it supplemented collateral provided by accounts receivable towards the Company’s aggregate borrowing base usage of $82.1 million, inclusive of $60.0 million outstanding and $22.1 million in issued letters of credit. At November 1, 2020, this cash was restricted as it supplemented collateral provided by accounts receivable towards the Company’s aggregate borrowing base usage of $84.5 million, inclusive of $60.0 million outstanding and $24.5 million in issued letters of credit.

At October 31, 2021 and November 1, 2020, short-term investments were $3.5 million and $2.9 million, respectively. 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 5: Fair Value of Financial Instruments

In accordance with ASC 820, *Fair Value Measurements,* assets and liabilities recorded at fair value are measured and classified using a three-tier fair value hierarchy based on the observability of the inputs available in the market to measure fair value, as described below:

a. Level 1 measurements consist of unadjusted quoted prices in active markets for identical assets or liabilities.
b. Level 2 measurements include quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
c. Level 3 measurements include significant unobservable inputs.

The carrying amounts of the Company's financial instruments, which include cash, cash equivalents, restricted cash, accounts receivable and accounts payable, approximated their fair values due to the short-term nature of these instruments.

The Company holds mutual funds to satisfy its obligations under its employee deferred compensation plan, which is carried at fair value based on quoted market prices in active markets for identical assets (Level 1). These short-term investments were $3.5 million and $2.9 million at October 31, 2021 and November 1, 2020, respectively. The carrying amounts of long-term debt recorded in the Company's Condensed Consolidated Balance Sheets was $59.3 million and $59.2 million at October 31, 2021 and November 1, 2020, respectively. This amount was net of deferred financing fees and approximated its fair value, which is determinable based on the interest rates the Company believes it could obtain for borrowings with similar terms (Level 2).

Certain assets, such as goodwill, are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances. Upon a triggering event or evidence of impairment, the Company determines the fair value of these assets using Level 3 inputs, typically within a discounted cash flow model.

There have been no changes in the methodology used to measure fair value of the financial instruments as well as any transfer of Level 3 assets or liabilities during the fiscal year 2021.

NOTE 6: Trade Accounts Receivable

Trade accounts receivable includes both billed and unbilled amounts due from customers. Billed trade receivables generally do not bear interest. Unbilled receivables represent accrued revenue earned and recognized on contracts for which billings have not yet been presented to the customer. At October 31, 2021 and November 1, 2020, trade accounts receivable included unbilled receivables of $2.7 million and $3.2 million, respectively.

The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions, customers' financial condition and current receivable aging and payment patterns. Additions to the allowance for doubtful accounts are recorded to Selling, administrative and other operating costs in the Consolidated Statement of Operations. The Company also maintains a sales allowance for specific customers related to billing disputes. The amount of the sales allowance is determined based on discount estimates and historical credits issued and additions to the sales allowance are recorded as a reduction to net revenue. Account balances are written off against the allowances when the Company believes it is probable the amount will not be received.

For the years ended October 31, 2021 and November 1, 2020, the activity in the allowance accounts were as follows (in thousands):

	November 3, 2019	Activity	November 1, 2020	Activity	October 31, 2021
Allowance for doubtful accounts included in Trade accounts receivable	$ 117	$ 102	$ 219	$ (82)	$ 137
Accrued sales reserve included in Accrued insurance and other	$ 310	$ (148)	$ 162	$ (72)	$ 90

NOTE 7: Property, Equipment and Software

Property, equipment and software consisted of (in thousands):

	October 31, 2021	November 1, 2020
Machinery and equipment	$ 30,537	$ 29,832
Leasehold improvements	2,633	2,543
Less: Accumulated depreciation and amortization	(28,531)	(27,417)
Property and equipment	**4,639**	**4,958**
Software	105,882	104,002
Less: Accumulated amortization	(93,039)	(86,793)
Property, equipment and software, net	**$ 17,482**	**$ 22,167**

Depreciation and amortization expense totaled $7.6 million and $8.0 million for the fiscal years ended 2021 and 2020, respectively. Depreciation and amortization is included in Cost of services and Selling, administrative and other operating costs in the Consolidated Statements of Operations.

NOTE 8: Impairment Charges

Long-lived Assets

Long-lived assets primarily consist of right-of-use assets, capitalized software costs, leasehold improvements and office equipment. The Company reviews these assets for impairment under ASC 360 *Property, Plant and Equipment* whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When an impairment loss is recognized, the carrying amount of the asset is reduced to its estimated fair value based on discounted cash flow analysis or other valuation techniques.

In fiscal 2021, the Company recorded impairment charges of $0.4 million of capitalized software costs related to a change in the expected use of certain assets in the Corporate and Other category. There were no additional triggering events in fiscal 2021 that would indicate that the carrying amounts of any other of the Company's long-lived assets may not be recoverable as of the end of the fiscal period.

In fiscal 2020, due to the economic impact of the COVID-19 pandemic, real estate rationalization decisions were made resulting in impairment charges of $16.1 million to reduce the carrying value of certain right-of-use assets to their estimated fair value. Significant assumptions used to estimate fair value were the current economic environment, real estate market conditions and general market participant assumptions. The Company also recorded impairment charges of $0.8 million primarily related to the leasehold improvements and office equipment associated with these closed facilities. Impairment charges of $1.9 million and $15.0 million were for the North American Staffing segment and the Corporate and Other category, respectively.

Impairment of Goodwill

The Company performs its annual impairment test for goodwill during the second quarter of the fiscal year and when a triggering event occurs between annual impairment tests.

Our fiscal 2021 annual test performed in the second quarter used significant assumptions, including expected revenue and expense growth rates, forecasted capital expenditures, working capital levels and a discount rate of 13.0%. Under the market-based approach, significant assumptions included relevant comparable company earnings multiples including the determination of whether a premium or discount should be applied to those comparables. It was determined that the fair value of the reporting unit exceeded its carrying value, therefore no adjustment to the carrying value of goodwill of $5.8 million was required as of the end of the second quarter of fiscal 2021.

The following represents the change in the carrying amount of goodwill, which is included in non-current Other assets in the Consolidated Balance Sheets, during each fiscal year (in thousands):

	International Staffing				
	November 3, 2019	**Foreign Currency Translation Adjustment**	**November 1, 2020**	**Foreign Currency Translation Adjustment**	**October 31, 2021**
Aggregate goodwill acquired	$ 10,483	$ —	$ 10,483	$ —	$ 10,483
Accumulated impairment losses	(3,733)	—	(3,733)	—	(3,733)
Foreign currency translation adjustment	(1,353)	5	(1,348)	309	(1,039)
Goodwill, net of impairment losses	**$ 5,397**	**$ 5**	**$ 5,402**	**$ 309**	**$ 5,711**

NOTE 9: Restructuring and Severance Charges

The Company incurred total restructuring and severance costs of $2.8 million and $2.6 million for fiscal 2021 and 2020, respectively.

2020 Restructuring Plan

In the first quarter of fiscal 2020, the Company approved a restructuring plan (the "2020 Plan") as part of its strategic initiative to optimize the Company's cost infrastructure. The 2020 Plan leveraged the global capabilities of the Company's staffing operations based in Bangalore, India and off-shored a significant number of strategically identified roles to this location. The total costs incurred in fiscal 2020 in connection with the 2020 Plan were $1.2 million, consisting of $0.1 million in North American Staffing, $0.1 million in International Staffing and $1.0 million in the Corporate and Other category.

Other Restructuring Costs

As part of its continued efforts to reduce costs, the Company recorded other restructuring costs. In fiscal 2021 and 2020, the Company recorded $1.8 million and $0.3 million, respectively, related to ongoing costs of facilities impaired in the second half of fiscal 2020. In fiscal 2021 and 2020, the Company recorded severance costs of $1.0 million and $1.1 million, respectively, primarily resulting from the elimination of certain positions.

The following tables present the restructuring and severance and benefit costs for the twelve months ended October 31, 2021 and November 1, 2020 (in thousands):

	Year Ended October 31, 2021				
	Total	North American Staffing	International Staffing	North American MSP	Corporate & Other
Severance and benefit costs	$ 1,040	$ 112	$ 213	$ 130	$ 585
Other	1,799	(169)	—	—	1,968
Total	**$ 2,839**	**$ (57)**	**$ 213**	**$ 130**	**$ 2,553**

	Year Ended November 1, 2020				
	Total	North American Staffing	International Staffing	North American MSP	Corporate & Other
Severance and benefit costs	$ 1,163	$ 78	$ 136	$ —	$ 949
2020 Plan	**1,163**	**78**	**136**	**—**	**949**
Severance and benefit costs	(23)	—	—	—	(23)
Other	180	—	—	—	180
2018 Plan	**157**	**—**	**—**	**—**	**157**
Severance and benefit costs	1,137	764	193	—	180
Other	184	41	9	—	134
Other	**1,321**	**805**	**202**	**—**	**314**
Total	**$ 2,641**	**$ 883**	**$ 338**	**$ —**	**$ 1,420**

Accrued restructuring and severance costs are included in Accrued compensation and Accrued insurance and other in the Consolidated Balance Sheets.Activity for the fiscal years ended October 31, 2021 and November 1, 2020 are summarized as follows (in thousands):

	October 31, 2021	November 1, 2020
Balance, end of previous year	**$ 212**	**$ 3,845**
Cease use liabilities transferred to ROU assets	—	(1,964)
Charged to expense	2,839	2,641
Cash payments	(2,502)	(4,310)
Ending Balance	**$ 549**	**$ 212**

Upon adoption of ASC 842 *Leases*, $2.0 million of accrued restructuring related to the exit of leased real estate was reclassified as a reduction to the related ROU asset, per the accounting guidance. The remaining balance as of October 31, 2021 of $0.5 million, was related to $0.2 million of severance costs in the International Staffing segment and $0.1 million in the North American MSP segment, as well as $0.2 million in the Corporate and Other category.

NOTE 10: Accrued Insurance

(a) Casualty Insurance Program

Workers' compensation insurance is purchased through mandated participation in certain state funds and the experience-rated premiums in these state plans relieve the Company of any additional liability. Liability for workers' compensation in all other states as well as automobile and general liability (collectively "casualty liability") is insured under a paid loss deductible casualty insurance program for losses exceeding specified deductible levels. The Company is financially responsible for losses below the specified policy deductible limits while losses incurred above the deductible limit are absorbed by the insurer. The casualty program is secured by a letter of credit against the Company's DZ Financing Program of $20.9 million as of October 31, 2021.

The Company recognizes expense and establishes accruals for amounts estimated to be incurred, both reported and not yet reported, policy premiums and related legal and other claims administration costs. The Company develops estimates for claims, as well as claims incurred but not yet reported, using actuarial principles and assumptions based on historical and projected claim incidence patterns, claim size and the length of time over which payments are expected to be made. Actuarial estimates are updated as loss experience develops, additional claims are reported or settled and new information becomes available. Any changes in estimates are reflected in operating results in the period in which the estimates are changed. Depending on the policy year, adjustments to final expected paid amounts are determined through the ultimate life of the claim. Expense recognized by the Company under its casualty insurance program amounted to $7.6 million and $6.4 million in fiscal 2021 and 2020, respectively. At October 31, 2021 and November 1, 2020, the casualty insurance liability was $13.9 million and $15.2 million, respectively. The current portion is included in Accrued insurance and other and the non-current portion is included in Accrued payroll taxes and other in the Consolidated Balance Sheets.

(b) Medical Insurance Programs

The Company is self-insured for a portion of its medical benefit programs for its employees. Eligible contingent staff on assignment with customers are offered medical benefits through a fully insured program administered by a third-party. Employees contribute a portion of the cost of these medical benefit programs.

To limit exposure on a per claimant basis for the self-insured medical benefits, the Company purchases stop-loss insurance. The Company's retained liability for the self-insured medical benefits is determined utilizing actuarial estimates of expected claims based on statistical analysis of historical data. The Company records the expense associated with the expected losses, net of employee contributions, primarily in Selling, administrative and other operating costs in the Consolidated Statement of Operations, depending on the employee's role. Expense recognized by the Company under its self-insured medical benefit programs amounted to $5.8 million and $4.9 million in fiscal 2021 and 2020, respectively.

NOTE 11: Income Taxes

Income (loss) before income taxes is derived from (in thousands):

	Year Ended	
	October 31, 2021	**November 1, 2020**
U.S. Domestic	$ (2,193)	$ (34,889)
International	4,970	2,347
Income (loss) before income tax	**$ 2,777**	**$ (32,542)**

Income tax provision (benefit) by taxing jurisdiction consists of (in thousands):

	Year Ended	
	October 31, 2021	**November 1, 2020**
Current:		
U.S. State and local	$ 117	$ 118
International	1,207	938
Total current	**$ 1,324**	**$ 1,056**
Deferred:		
International	$ 79	$ (11)
Total deferred	**79**	**(11)**
Income tax provision	**$ 1,403**	**$ 1,045**

The difference between the income tax provision on income (loss) and the amount computed at the U.S. federal statutory rate is due to (in thousands):

	Year Ended	
	October 31, 2021	November 1, 2020
U.S. Federal statutory rate	$ 586	$ (6,834)
U.S. State income tax, net of U.S. Federal tax benefits	262	(1,235)
International permanent differences	15	91
International tax rate differentials	508	232
U.S. tax on international income	(173)	(705)
General business credits	(351)	(999)
Foreign tax credit, net	1,558	—
Non-deductible compensation	529	—
Non-deductible expenses	92	66
Capital loss	—	3,357
Change in valuation allowance for deferred tax assets	(1,623)	7,072
Income tax provision	**$ 1,403**	**$ 1,045**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and also include operating loss carryforwards. The significant components of the Company's deferred tax assets and liabilities are as follows (in thousands):

	October 31, 2021	November 1, 2020
Deferred tax assets:		
Net operating loss carryforwards	$ 60,559	$ 61,723
Interest carryforward	896	1,345
U.S. federal tax credit carryforwards	53,317	54,727
Operating lease liabilities	10,189	11,477
Deferred withholding tax	3,435	5,385
Compensation accruals	3,341	1,639
Other, net	8,005	5,366
Total deferred tax assets	**139,742**	**141,662**
Less valuation allowance	(123,792)	(125,396)
Deferred tax assets, net	**15,950**	**16,266**
Deferred tax liabilities:		
Un-remitted earnings from foreign subsidiaries	1,518	1,725
Software development costs	8,453	7,914
Right-of-use assets - operating leases	5,530	6,178
Other, net	450	452
Total deferred tax liabilities	**15,951**	**16,269**
Net deferred tax liabilities	**$ (1)**	**$ (3)**
Balance sheet classification		
Non-current assets	$ —	$ —
Non-current liabilities	(1)	(3)
Net deferred tax liability	**$ (1)**	**$ (3)**

At October 31, 2021, the Company has available unused U.S. federal net operating loss ("NOL") carryforwards of $210.0 million, U.S. state NOL carryforwards of $226.3 million, international NOL carryforwards of $8.3 million and federal tax credits of $53.3 million. As of October 31, 2021, the U.S. federal NOL carryforwards expire at various dates between 2031 and 2038 (with some indefinite), the U.S. state NOL carryforwards expire at various dates beginning in 2022 (with some indefinite), the international NOL carryforwards expire at various dates beginning in 2022 (with some indefinite) and federal tax credits expire between 2022 and 2040. At October 31, 2021, the undistributed earnings of the Company's non-U.S. subsidiaries are not intended to be permanently invested outside of the U.S. and therefore U.S. deferred taxes have been provided.

A valuation allowance has been recognized due to the uncertainty of realization of the loss carryforwards and other deferred tax assets. Beginning in fiscal 2010, the Company's cumulative U.S. domestic and certain non-U.S. results for each three-year period were a loss. Accordingly, the Company recorded a full valuation allowance against its net U.S. domestic and certain net non-U.S. deferred tax assets as a non-cash charge to income tax expense. The three-year cumulative loss continued in fiscal 2021 so the Company maintained a full valuation allowance against its net U.S. domestic and certain net non-U.S. deferred tax assets resulting in a total valuation allowance of $123.8 million and $125.4 million for fiscal 2021 and 2020, respectively. In reaching this conclusion, the Company considered the U.S. domestic demand and recent operating losses causing the Company to be in a three-year cumulative loss position. Management believes that the remaining deferred tax assets are more likely than not to be realized based upon consideration of all positive and negative evidence, including scheduled reversal of deferred tax liabilities and tax planning strategies determined on a jurisdiction-by-jurisdiction basis.

The Company recognizes income tax benefits for tax positions determined more likely than not to be sustained upon examination based on the technical merits of the positions. The following table sets forth the change in the accrual for uncertain tax positions, excluding interest and penalties (in thousands):

	October 31, 2021	November 1, 2020
Balance, beginning of year	$ 85	$ 283
Decrease relating to tax positions taken in a prior period	—	(3)
Settlements	—	(195)
Lapse of statute of limitations	(20)	—
Total	**$ 65**	**$ 85**

Of the total unrecognized tax benefits at October 31, 2021 and November 1, 2020, approximately $0.1 million and $0.1 million, respectively, would affect the Company's effective income tax rate, if and when recognized in future years. There was no amount accrued for related potential interest and penalties at October 31, 2021. The income tax provision for the fiscal years ended October 31, 2021 and November 1, 2020 included a reversal of reserves on uncertain tax provisions of less than $0.1 million and $0.2 million, respectively.

The Company is subject to taxation at the federal, state and local levels in the U.S. and in various international jurisdictions. With few exceptions, the Company is generally no longer subject to examination by the U.S. federal, state, local or non-U.S. income tax authorities for years before fiscal 2008.

NOTE 12: Debt

The Company's primary sources of liquidity are cash flows from operations and proceeds from our financing arrangement with DZ Bank. Both operating cash flows and borrowing capacity under the DZ Financing Program 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 the DZ Financing Program 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 $16.0 - $17.0 million. The Company generally targets minimum global liquidity to be 1.5 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 March 27, 2020, the U.S. government enacted the CARES Act which, among other things, permits the deferral of the employer's portion of social security tax payments between March 27, 2020 and December 31, 2020. As a result, as of October 31, 2021, $26.2 million of employer payroll tax payments were deferred with $13.2 million paid on January 3, 2022 and the remaining payable with the December 31, 2022 tax payment in January 2023.

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.

In July 2019, the Company amended and restated its long-term DZ Financing Program, 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 added an additional $5.0 - $7.0 million in borrowing availability. In June 2020, the Maximum Facility Amount, as defined in the DZ Financing Program, was reduced from $115.0 million to $100.0 million.

In December 2020, the Company amended the DZ Financing Program. The modifications to the agreement were to (1) extend the Amortization Date, as defined in the DZ Financing Program, from January 25, 2023 to January 25, 2024; (2) extend the Facility Maturity Date, as defined in the DZ Financing Program, from July 25, 2023 to July 25, 2024; (3) revise an existing covenant to maintain positive net income in any fiscal year ending after 2020 to any fiscal year ending after 2021; (4) replace the existing Tangible Net Worth ("TNW") covenant requirement, as defined in the DZ Financing Program, to a minimum TNW of $20.0 million through the Company's fiscal quarter ending on or about July 31, 2021 and $25.0 million in each quarter thereafter; and (5) revise the eligibility threshold for the receivables of a large North American Staffing customer from 5% of eligible receivables to 8%, which increased our overall availability under the Program by $1.0 - $3.0 million. All other terms and conditions of the DZ Financing Program remained substantially unchanged.

Loan advances may be made under the DZ Financing Program through January 25, 2024 and all loans will mature no later than July 25, 2024. 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 October 31, 2021, the letter of credit participation was $22.1 million, inclusive of $20.9 million for the Company's casualty insurance program and $1.2 million for the security deposit required under certain real estate lease agreements.

The DZ Financing Program contains customary representations and warranties as well as affirmative and negative covenants. 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 TNW, as defined in the DZ Financing Program, of at least $20.0 million through the Company's fiscal quarter ending on or about July 31, 2021 and $25.0 million in each quarter thereafter; (2) positive net income in any fiscal year ending after 2021; (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 DZ Financing Program. At October 31, 2021, the Company was in compliance with all debt covenants. At October 31, 2021, there was $6.0 million of borrowing availability, as defined under the DZ Financing Program.

At October 31, 2021 and November 1, 2020, the Company had outstanding borrowings under the DZ Financing Program of $60.0 million and $60.0 million, respectively, with a weighted average annual interest rate of 1.9% and 2.6% during fiscal 2021 and 2020, respectively.

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

	October 31, 2021	November 1, 2020
Financing programs	$ 60,000	$ 60,000
Less:		
Deferred financing fees	693	846
Total long-term debt, net	**$ 59,307**	**$ 59,154**

NOTE 13: Stockholders' Equity

(a) Common Stock

Each outstanding share of common stock is entitled toone vote per share on all matters submitted to a vote by shareholders. Subject to the rights of any preferred stock which may from time-to-time be outstanding, the holders of outstanding shares of common stock are entitled to receive dividends and, upon liquidation or dissolution, are entitled to receive pro rata all assets legally available for distribution to stockholders. No dividends were declared or paid on the common stock during fiscal 2021 or 2020. The holders of common stock have no preemptive or other subscription rights and there is no redemption or sinking fund provisions with respect to such shares. There isno preferred stock outstanding.

(b) Treasury Stock

The Company issues shares out of treasury stock to satisfy share-based compensation awards.Activity for the fiscal years ended October 31, 2021 and November 1, 2020 is summarized as follows (in thousands):

	October 31, 2021	November 1, 2020
Balance, beginning of the year	**$ (18,186)**	**$ (26,155)**
Shares issued for share-based compensation awards	5,300	7,969
Ending Balance	**$ (12,886)**	**$ (18,186)**

(c) Comprehensive Income (Loss)

The accumulated balances for each classification of other comprehensive income (loss) are as follows (in thousands):

Foreign currency gains/(losses)	**October 31, 2021**	**November 1, 2020**
Balance, beginning of the year	**$ (6,458)**	**$ (6,801)**
Other comprehensive income before reclassifications	209	343
Ending Balance	**$ (6,249)**	**$ (6,458)**

There were no reclassifications from accumulated other comprehensive loss in fiscal 2021 and 2020.

NOTE 14: Share-Based Compensation Plans

For fiscal years 2021 and 2020, the Company recognized share-based compensation expense of $2.1 million and $1.4 million, respectively. These expenses are included in Selling, administrative and other operating costs in the Company's Consolidated Statements of Operations.

2021 Equity Incentive Plan

On April 20, 2021, the stockholders of the Company approved the Company's 2021 Equity Incentive Plan (the "2021 Plan"). The 2021 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 2021 Plan). Subject to adjustment as provided in the 2021 Plan, up to an aggregate of 3,700,000 shares of the Company's common stock will be available for awards under the 2021 Plan, plus any shares under the Company's 2019 and 2015 Equity Incentive Plans that rollover, are forfeited or otherwise become available for awards under the 2021 Plan.

Fiscal 2021 Awards

During the third quarter of fiscal 2021, the Company granted performance stock units ("PSUs") to certain executives, restricted stock units ("RSUs") to certain employees including executive management and RSUs to the 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 margin percentage goals based on adjusted revenues at the end of each fiscal year of the one-year, two-year and three-year performance periods and provided that the employees remain employed with the Company on the applicable vesting date. The payout percentages can range from 0% to 150%. The employee RSUs are time-vested and vest in equal annual tranches over three years, provided that the employees remain employed with the Company on the applicable vesting date. The Board of Director RSUs vest 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 PSUs and RSUs had a total grant date fair value of approximately $1.6 million and $2.4 million, respectively.

Fiscal 2020 Awards

During fiscal 2020, the Company granted RSUs to executive management and, due to limited share availability under its long-term incentive plan, issued deferred cash awards to certain employees including executive management. The RSUs and cash awards vest in equal annual tranches over three years, provided the employees remain employed with the Company on the applicable vesting date. The grant date fair value for the RSUs is measured using the closing stock price on the grant date and the total grant date fair value was $0.7 million. The deferred cash awards totaled $2.2 million. In addition, due to limited share availability, cash payments in the aggregate amount of $0.4 million were made in lieu of equity awards to non-executive directors of the Company.

Summary of Equity Awards

The following tables summarize the activities related to the Company's share-based equity awards for the fiscal year ended October 31, 2021 and November 1, 2020:

Performance Share Units	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at November 3, 2019	376,986	$ 3.90
Forfeited	(40,311)	$ 3.38
Vested	(127,013)	$ 4.04
Outstanding at November 1, 2020	209,662	$ 3.91
Granted (a)	444,323	$ 4.19
Forfeited	(85,107)	$ 3.73
Vested	(69,431)	$ 4.04
Outstanding at October 31, 2021	**499,447**	**$ 4.17**

(a) Includes incremental shares for first tranche of the fiscal 2021 grant based on attainment of the fiscal 2021 Adjusted EBITDA margin percentage goal that will be issued upon vesting.

Restricted Stock Units	Number of Shares		Weighted Average Grant Date Fair Value
Outstanding at November 3, 2019	667,082	$	3.86
Granted	625,909	$	1.09
Forfeited	(4,387)	$	3.79
Vested	(312,424)	$	3.90
Outstanding at November 1, 2020	976,180	$	2.08
Granted	578,577	$	4.19
Forfeited	(38,497)	$	3.55
Vested	(414,470)	$	2.41
Outstanding at October 31, 2021	**1,101,790**	**$**	**3.01**

Stock Options	Number of shares		Weighted average exercise price	Weighted average contractual life (in years)		Aggregate Intrinsic Value (in thousands)
Outstanding at November 3, 2019	603,484	$	6.28	6.81	$	—
Forfeited	(60,615)	$	8.22	—	$	—
Expired	(210,925)	$	6.59	—	$	—
Outstanding at November 1, 2020	331,944	$	5.73	6.22	$	—
Expired	(13,740)	$	6.06	—	$	—
Outstanding and exercisable at October 31, 2021	**318,204**	**$**	**5.71**	**5.25**	$	—

For the year ended October 31, 2021, there wasno exercise of stock options. As of October 31,2021 total unrecognized compensation expense of $3.5 million related to PSUs, stock options and RSUs will be recognized over the remaining weighted average vesting period of 2.0 years, of which $2.5 million, $0.8 million and $0.2 million is expected to be recognized in fiscal 2022, 2023 and 2024, respectively.

NOTE 15: Earnings (Loss) Per Share

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

	Year Ended			
	October 31, 2021		November 1, 2020	
Numerator				
Net income (loss)	**$**	**1,374**	**$**	**(33,587)**
Denominator				
Basic weighted average number of shares		21,884		21,507
Dilutive weighted average number of shares		22,609		21,507
Per Share Data:				
Basic:				
Net income (loss)	**$**	**0.06**	**$**	**(1.56)**
Diluted:				
Net income (loss)	**$**	**0.06**	**$**	**(1.56)**

The diluted earnings per share for fiscal 2021 did not include the effect of potentially dilutive outstanding shares comprised of2,024 RSUs and 185,024 stock options because the effect would have been anti-dilutive.

The diluted earnings per share for fiscal 2020 did not include the effect of potentially dilutive outstanding shares comprised of976,180 RSUs, 331,944 stock options and 209,662 PSUs because the effect would have been anti-dilutive.

NOTE 16: Related Party Transactions

For fiscal 2021 and 2020, the Company provided staffing services in the aggregate amount of $187,000 and $175,000, respectively, to a company where Volt's Chairman of the Board, William J. Grubbs, serves as President.

NOTE 17: Commitments and Contingencies

(a) ***Leases -*** refer to Note 2, "Leases"

(b) ***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 business. 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.

NOTE 18: Segment Disclosures

We report our segment data in accordance with the provisions of ASC 280,*Segment Reporting*, aligning with the way the Company evaluates its business performance and manages its operations. 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.

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):

	Year Ended October 31, 2021					
	Total	**North American Staffing**	**International Staffing**	**North American MSP**	**Corporate and Other**	**Eliminations**
Net revenue	**$ 885,393**	**$ 738,767**	**$ 106,963**	**$ 39,312**	**$ 456**	**$ (105)**
Cost of services	741,871	623,346	86,716	31,655	259	(105)
Gross margin	**143,522**	**115,421**	**20,247**	**7,657**	**197**	**—**
Selling, administrative and other operating costs	135,427	82,449	15,956	5,409	31,613	—
Restructuring and severance costs	2,839	(57)	213	130	2,553	—
Impairment charges	424	—	—	—	424	—
Operating income (loss)	**4,832**	**33,029**	**4,078**	**2,118**	**(34,393)**	**—**
Other income (expense), net	(2,055)					
Income tax provision	1,403					
Net income	**$ 1,374**					

	Year Ended November 1, 2020					
	Total	**North American Staffing**	**International Staffing**	**North American MSP**	**Corporate and Other**	**Eliminations**
Net revenue	**$ 822,055**	**$ 689,095**	**$ 95,308**	**$ 37,915**	**$ 674**	**$ (937)**
Cost of services	694,204	586,255	79,087	29,471	328	(937)
Gross margin	**127,851**	**102,840**	**16,221**	**8,444**	**346**	**—**
Selling, administrative and other operating costs	137,666	85,776	14,484	5,370	32,036	—
Restructuring and severance costs	2,641	883	338	—	1,420	—
Impairment charges	16,913	1,859	—	—	15,054	—
Operating income (loss)	**(29,369)**	**14,322**	**1,399**	**3,074**	**(48,164)**	**—**
Other income (expense), net	(3,173)					
Income tax provision	1,045					
Net loss	**$ (33,587)**					

Assets of the Company by reportable segment are summarized in the following table (in thousands):

	October 31, 2021	**November 1, 2020**
Assets:		
North American Staffing	$ 107,599	$ 105,516
International Staffing	32,358	26,989
North American MSP	30,137	24,742
Corporate & Other	90,010	84,598
Total Assets	**$ 260,104**	**$ 241,845**

Sales to external customers and long-lived assets of the Company by geographic area are as follows (in thousands):

	Year Ended	
	October 31, 2021	**November 1, 2020**
Net Revenue:		
Domestic	$ 774,093	$ 722,985
International	111,300	99,070
Total Net Revenue	**$ 885,393**	**$ 822,055**

	October 31, 2021	November 1, 2020
Long-Lived Assets:		
Domestic	$ 37,579	$ 44,500
International	2,399	2,774
Total Long-Lived Assets	**$ 39,978**	**$ 47,274**

Capital expenditures and depreciation and amortization by the Company's operating segments are as follows (in thousands):

	Year Ended	
	October 31, 2021	November 1, 2020
Capital Expenditures:		
North American Staffing	$ 102	$ 474
International Staffing	63	292
North American MSP	140	372
Corporate & Other	2,807	4,130
Total Capital Expenditures	**$ 3,112**	**$ 5,268**
Depreciation and Amortization:		
North American Staffing	$ 289	$ 339
International Staffing	306	322
North American MSP	314	152
Corporate & Other	6,651	7,168
Total Depreciation and Amortization	**$ 7,560**	**$ 7,981**

NOTE 19: Quarterly Financial Information (unaudited)

The following tables present certain unaudited consolidated quarterly financial information for each quarter in the fiscal years ended October 31, 2021 and November 1, 2020 (in thousands, except per share amounts):

	Three Months Ended			
	January 31, 2021	May 2, 2021	August 1, 2021	October 31, 2021
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
	13 weeks	*13 weeks*	*13 weeks*	*13 weeks*
NET REVENUE	**$ 217,958**	**$ 222,092**	**$ 217,534**	**$ 227,809**
Cost of services	185,276	185,613	181,334	189,648
GROSS MARGIN	**32,682**	**36,479**	**36,200**	**38,161**
Selling, administrative and other operating costs	33,747	32,950	34,039	34,691
Restructuring and severance costs	632	595	489	1,123
Impairment charges	31	261	112	20
OPERATING INCOME (LOSS)	**(1,728)**	**2,673**	**1,560**	**2,327**
Interest income	7	8	15	7
Interest expense	(484)	(438)	(460)	(423)
Foreign exchange gain (loss), net	242	71	(34)	39
Other income (expense), net	(156)	(147)	(152)	(150)
INCOME (LOSS) BEFORE INCOME TAXES	**(2,119)**	**2,167**	**929**	**1,800**
Income tax provision	327	288	314	474
NET INCOME (LOSS)	**$ (2,446)**	**$ 1,879**	**$ 615**	**$ 1,326**
PER SHARE DATA:				
Basic:				
Net income (loss)	**$ (0.11)**	**$ 0.09**	**$ 0.03**	**$ 0.06**
Weighted average number of shares	21,793	21,793	21,968	21,981
Diluted:				
Net income (loss)	**$ (0.11)**	**$ 0.08**	**$ 0.03**	**$ 0.06**
Weighted average number of shares	21,793	22,588	22,651	22,811

	Three Months Ended			
	February 2, 2020	May 3, 2020	August 2, 2020	November 1, 2020
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
	13 weeks	*13 weeks*	*13 weeks*	*13 weeks*
NET REVENUE	**$ 217,766**	**$ 207,275**	**$ 185,941**	**$ 211,073**
Cost of services	186,339	175,038	155,983	176,844
GROSS MARGIN	**31,427**	**32,237**	**29,958**	**34,229**
Selling, administrative and other operating costs	39,497	36,189	31,245	30,735
Restructuring and severance costs	1,246	411	546	438
Impairment charges	11	—	2,384	14,518
OPERATING LOSS	**(9,327)**	**(4,363)**	**(4,217)**	**(11,462)**
Interest income	30	31	9	8
Interest expense	(730)	(652)	(476)	(439)
Foreign exchange gain (loss), net	(328)	(266)	571	(62)
Other income (expense), net	(258)	(152)	(168)	(291)
LOSS BEFORE INCOME TAXES	**(10,613)**	**(5,402)**	**(4,281)**	**(12,246)**
Income tax provision	195	23	556	271
NET LOSS	**$ (10,808)**	**$ (5,425)**	**$ (4,837)**	**$ (12,517)**
PER SHARE DATA:				
Basic:				
Net Loss	**$ (0.50)**	**$ (0.25)**	**$ (0.22)**	**$ (0.58)**
Weighted average number of shares	21,416	21,416	21,589	21,607
Diluted:				
Net Loss	**$ (0.50)**	**$ (0.25)**	**$ (0.22)**	**$ (0.58)**
Weighted average number of shares	21,416	21,416	21,589	21,607

Exhibit 21

VOLT INFORMATION SCIENCES, INC.
LIST OF SUBSIDIARIES

No.	Name (1)	Jurisdiction of Incorporation
1	Arctern Consulting Private Limited (2)	India
2	Arctern, Inc.	Virginia
3	Nuco I, Ltd.	Nevada
4	P/S Partner Solutions, Ltd.	Delaware
5	Volt Consulting MSP Canada Ltd.	Canada
6	VMC Consulting Europe Limited	United Kingdom
7	VMC Services India Private Limited (3)	India
8	Volt Asia Enterprises (Malaysia) Sdn. Bhd.	Malaysia
9	Volt Asia Enterprises, Ltd.	Delaware
10	Volt Consulting Group, Ltd.	Delaware
11	Volt Delta International B.V.	Netherlands
12	Volt Delta Resource Holdings, Inc	Nevada
13	Volt Europe (Belgium) SPRL	Belgium
14	Volt Europe (Deutschland) GmbH	Germany
15	Volt Europe (Espana) S.L.	Spain
16	Volt Europe (France) SARL	France
17	Volt Europe (Germany) GmbH	Germany
18	Volt Europe (Nederland) BV	Netherlands
19	Volt Europe (Switzerland) SA	Switzerland
20	Volt Europe Ceska Republika s.r.o	Czech Republic
21	Volt Europe Holdings Limited	United Kingdom
22	Volt Europe Limited	United Kingdom
23	Volt Europe Slovakia s.r.o.	Slovakia
24	Volt Europe Temporary Services Limited	United Kingdom
25	Volt Funding II, LLC	Delaware
26	Volt Gatton Holding, Inc.	Delaware
27	Volt Information Sciences (India) Private Limited (2)	India
28	Volt Management Corp.	Delaware
29	Volt Netherlands Holding BV	Netherlands
30	Volt Reach, Inc.	Delaware
31	Volt Consulting Group Limited	United Kingdom
32	Volt Service Corporation Pte, Ltd.	Singapore
33	Volt Services Group (Netherlands) B.V.	Netherlands

Footnotes

(1) Except as noted, each named subsidiary is wholly owned, directly or indirectly by Volt Information Sciences, Inc., except that, in the case of certain foreign subsidiaries, qualifying shares may be registered in the name of directors.
(2) 99.99% owned by Volt Asia Enterprises, Ltd. / 00.01% owned by Nuco I, Ltd.
(3) 99.39% owned by Volt Information Sciences (India) Private Limited /0.61% owned by Volt Asia Enterprises Ltd. /1 fractional share owned by Nuco I, Ltd.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-8 No. 333-256991) pertaining to the Volt Information Sciences, Inc. 2021 Equity Incentive Plan,
2. Registration Statement (Form S-8 No. 333-232096) pertaining to the Volt Information Sciences, Inc. 2019 Equity Incentive Plan,
3. Registration Statement (Form S-8 No. 333-211928) pertaining to the Volt Information Sciences, Inc. 2015 Equity Incentive Plan,
4. Registration Statement (Form S-8 No. 333-211927) pertaining to the Volt Information Sciences, Inc. Deferred Compensation and Supplemental Savings Plan, and
5. Registration Statements (Form S-8 No. 333-148355 and No. 333-202751) pertaining to the Volt Information Sciences, Inc. 2006 Incentive Stock Plan

of our report dated January 12, 2022, with respect to the consolidated financial statements of Volt Information Sciences, Inc. included in this Annual Report (Form 10-K) of Volt Information Sciences, Inc. for the year ended October 31, 2021.

/s/ Ernst & Young LLP

New York, New York
January 12, 2022

Exhibit 31.1

**CERTIFICATION PURSUANT TO RULE 13a–14(a)/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 annual report on Form 10-K 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: January 12, 2022

/s/ Linda Perneau
Linda Perneau
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a–14(a)/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 annual report on Form 10-K 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: January 12, 2022

/s/ Herbert M. Mueller
Herbert M. Mueller
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the annual report on Form 10-K of Volt Information Sciences, Inc., a New York corporation (the “Company”), for the year ended October 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, Linda Perneau, President and Chief Executive Officer of the Company, and Herbert M. Mueller, Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods indicated.

Date: January 12, 2022

/s/ Linda Perneau
Linda Perneau
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Herbert M. Mueller
Herbert M. Mueller
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)