

**CHARTER OF THE COMPENSATION COMMITTEE
LABOR READY, INC.**

Introduction

The Board of Directors has delegated to the Compensation Committee responsibility for developing and reviewing corporate goals and objectives relevant to compensation of the CEO and other senior executives, evaluating the executives' performance in light of those goals and objectives, and determining the executives' compensation levels accordingly. This Charter is intended to comply with applicable law and New York Stock Exchange listing requirements and to provide the Compensation Committee specific direction in performing its duties. This Charter has been approved by the Company's Board of Directors.

Mission

To further shareholder value by helping to create compensation plans that provide financial incentives to employees for producing results that fairly reward shareholders.

Organization

The Compensation Committee shall be composed of no less than three and no more than five Board members who are independent and otherwise qualified under all applicable regulations, including the corporate governance rules of the New York Stock Exchange, and have no material relationship with the Company, as affirmatively determined by the Board. Additionally, no director may serve on the Committee unless he or she (i) is a "Non-employee Director" for purposes of Rule 16b-3 under the Securities and Exchange Act of 1934 and (ii) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code, including the requirement that he or she not receive remuneration from the Company, either directly or indirectly, in any capacity other than as a director. The members of the Committee, and the Committee chair, shall be elected by the Board annually and shall serve until they are removed by the Board or until their successors shall be duly elected and qualified.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate.

Responsibilities

The responsibilities of the Compensation Committee are to:

- Review and approve corporate goals and objectives relevant to CEO compensation.
- Together with the Corporate Governance and Nomination Committee, evaluate the CEO's performance in light of the corporate goals and objectives

at least annually including a review of the Company's performance and relative shareholder returns, and together with the other independent directors, determine and approve the CEO's compensation level based on this evaluation.

- Make recommendations to the Board with respect to compensation of other executive employees of the Company.
- Produce a Compensation Committee report on executive compensation as required by the SEC to be included in the Company's annual proxy statement.
- Evaluate proposed compensation plans, policies and contracts for consistency with the Compensation Philosophy adopted by the Board of Directors.
- Monitor the appropriateness and effectiveness of the Company's compensation plans and policies.
- Administer and interpret the Company's incentive compensation plans and equity-based plans, and make recommendations to the Board with respect thereto.
- Review any proposed employment agreements with new officers and amendments to existing employment agreements.
- Recommend to the Board compensation of Directors.
- Monitor current developments in executive compensation and employee compensation practices in the Company's industry and elsewhere.
- Conduct and prepare an annual self-evaluation of the Committee's performance; or, alternatively, obtain a performance evaluation from the Board of Directors or a qualified and independent third party.
- Report to the Board of Directors in a timely matter with respect to all material actions and considerations undertaken by the Committee from time to time.
- Review this Charter at least annually, and recommend to the Board any updates or amendments as may be appropriate.
- Perform such other functions as assigned by law, the Company's bylaws, or the Board of Directors.

Delegation

The Compensation Committee shall have authority to delegate responsibility to subcommittees, provided that any such subcommittee shall be composed entirely of independent directors and shall have its own published charter.

Resources

In performing the Compensation Committee's responsibilities:

- The Compensation Committee has authority to request assistance from time to time by various members of the Company's staff and/or outside counsel or advisors.
- The Compensation Committee may retain and have direct access to outside consultants to assist in the evaluation of director or executive compensation, and may authorize independent studies of corporate compensation and benefits of comparable companies.

- The Committee shall have sole authority to retain and terminate such a consultant and to approve its fees and other retention terms.

APPROVED AND ADOPTED BY THE COMPENSATION COMMITTEE ON DECEMBER 4, 2003.

APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS ON DECEMBER 5, 2003.

AMENDED BY THE COMPENSATION COMMITTEE AND BY THE BOARD OF DIRECTORS ON MARCH 17, 2004.