



CORPORATE GOVERNANCE GUIDELINES TRUEBLUE, INC.

The Corporate Governance and Nominating Committee of the Board of Directors (the "**Board**") of TrueBlue, Inc., a Washington corporation (the "**Company**"), has developed, and the Board has adopted, the following Corporate Governance Guidelines ("**Guidelines**") to assist the Board in the exercise of its responsibilities and to serve best the interests of the Company and its shareholders. These Guidelines should be interpreted in the context of all applicable laws and the Company's Articles of Incorporation (as amended and restated), bylaws, and other corporate governance documents, including committee charters. These Guidelines are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. These Guidelines are subject to modification from time to time by the Board as it may deem appropriate and in the best interests of the Company or as required by applicable laws, regulations and rules to which the Company may be subject.

Board Composition

- **Chairman and Chief Executive Officer.** The positions of the Company's Chairman of the Board and Chief Executive Officer are currently held by different people. This combination has served the Company well over the recent few years. The Board recognizes that good governance is not tied to any one practice, and that the best practice is often determined by facts and circumstances that may change from time to time. Therefore the Board has no policy with respect to the separation of the offices of the Chairman of the Board and Chief Executive Officer. The Chairman of the Board shall be elected on an annual basis by a majority of the Board. The Board may also appoint a Lead Independent Director if the director elected as Chairman would not be considered an "independent director" by the New York Stock Exchange or other recognized governance organizations. The Board shall by resolution allocate the responsibilities among the Chairman, the Lead Independent Director and other directors as the Board shall deem appropriate.
- **Size of the Board.** The Board has seven members and periodically reviews the appropriate size of the Board. Generally the Board believes that it should have no fewer than five nor more than eleven members.
- **Independent Directors.** The Board shall consist of a majority of independent directors. In order to qualify a director must satisfy the independent director requirements under the New York Stock Exchange Listing Standards (the "Listing Standards"), applicable provisions of the Securities and Exchange Act of 1934 (the "Exchange Act") and related Securities and Exchange Commission ("SEC") rules and regulations. The Company's Audit Committee and Corporate Governance and Nominating Committee shall be composed entirely of independent directors. In addition to satisfying the requirements for independence set forth in the Listing Standards, all directors serving on the Audit Committee must also satisfy the requirements for independence set out in Rule 10A 3 of the Exchange Act. While the Listing Standards set forth relationships that will preclude a director from being considered independent, it is not possible to anticipate or explicitly provide for all potential conflicts of interest that might affect independence. Accordingly, in addition to determining that a director satisfies the specific requirements set forth in the Listing Standards, the Exchange Act and related SEC rules and regulations, the Governance Committee and the Board is also responsible for making an affirmative determination that each independent director has no other material relationships with the Company or with any executive officer of the

Company. A relationship will be considered "material" if in the judgment of the Board it would interfere with a director's independent judgment. In order to assist further assist the Governance Committee and the Board in making these decisions and to avoid relationships, transactions or arrangements which present conflicts or the appearance of conflicts that Board has adopted the Related Person Transaction Policy which is attached as Annex A to these Guidelines.

- **Board Membership Criteria.** The Corporate Governance and Nominating Committee of the Board is responsible for reviewing with the Board the requisite skills and characteristics of new Board candidates in the context of the current composition of the Board. This assessment shall include experience in industry, finance, administration, operations and marketing, as well as diversity. Director candidates should be able to provide insights and practical wisdom based on their experience and expertise.

The Board has not established minimum qualifications for nominees to the Board. The Corporate Governance and Nominating Committee annually evaluates the performance of the Board, each of the committees and each of the members of the Board. In connection with its annual review it makes an assessment of the skills and expertise of its members and their adherence to these Guidelines and other policies of the Board and the Company. It also reviews the size of the Board and whether it would be beneficial to add additional members and/or any new skills or expertise, taking into account the overall operating efficiency of the Board and its committees. If the Board has a vacancy or the Corporate Governance and Nominating Committee determines that it would be beneficial to add an additional member it is expected that the Corporate Governance and Nominating Committee will take into account the factors identified in the preceding paragraph and all other factors which the Corporate Governance and Nominating Committee in its best judgment deems relevant at such time.

Each Board member is also asked to annually complete a standard director and officer questionnaire which solicits information regarding relationships with the Company and other factors relating to independence, memberships on other company boards and other information required to be disclosed in the Company's proxy statement. Any new candidate for nomination will be required to provide similar information as well as be available for interviews as the Corporate Governance and Nominating Committee may determine to be appropriate.

Directors are expected to rigorously prepare for, attend and participate in Board meetings and meetings of the Board committees on which they serve, to ask direct questions and require straight answers, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities and duties as directors. Each Board member is expected to ensure that other existing and planned future commitments do not conflict with or materially interfere with the member's service as a director of the Company. Accordingly, each Board member is strongly encouraged to review with the Chair of the Governance Committee prior to acceptance proposals to serve on other boards and other commitments that could reasonably be expected to present either a legal conflict or significantly interfere with his or her service as a member of the Board. Service on other boards and other commitments by directors will be considered by the Corporate Governance and Nominating Committee and the Board when reviewing Board candidates and in connection with the Board's annual self assessment process. Each director is also expected to attend the annual meeting of shareholders.

Effective upon the adoption of these Guidelines each executive officer of the Company shall receive approval from the Corporate Governance and Nominating Committee prior to agreeing to be nominated as a director of any for profit corporation or similar position with a for profit unincorporated entity.

- **Selection of New Director Candidates.** The Board delegates the screening process involved with identifying, evaluating, and recommending director candidates to the Corporate Governance and

Nominating Committee, with the expectation that other members of the Board and executives will be requested to take part in the process as appropriate. The Corporate Governance and Nominating Committee will also consider director candidates recommended by security holders. Candidates recommended by security holders are evaluated on the same basis as are candidates recommended by the Corporate Governance and Nominating Committee. Any security holder wishing to nominate a candidate should provide basic background information about the prospective nominee in a letter addressed to the Chairman of the Corporate Governance and Nominating Committee in care of the Company's General Counsel no later than 120 days prior to the corresponding date on which the Company's annual proxy statement was mailed in connection with the most recent annual meeting. A candidate for nomination must also provide all information required to be disclosed in the Company's proxy statement pursuant to Schedule 14A of Regulation 14A as promulgated by the SEC pursuant to the Exchange Act. Additional information may be requested as outlined above. Candidates recommended by the Corporate Governance and Nominating Committee are subject to approval by the Board.

- **Term Limits and Retirement.** The Board believes that firsthand experience as a director of the Company has been invaluable to the Company's success. While mandatory turnover might bring new ideas and perspectives to the Board, term limits and retirement ages have the compelling disadvantage of sacrificing the experience and expertise of directors who have a unique insight into the Company's business. The Board believes it would be unwise to discard such value through an automatic termination of the service of any director. Accordingly, the Board does not believe that a mandatory retirement age or term limits are beneficial. In view of the absence of term limits and a mandatory retirement age, the Corporate Governance and Nominating Committee tries to achieve age diversity in recommending new directors.
- **Change In Job Responsibility.** Each time a director's principal occupation or business association changes substantially, the director shall tender such director's proposed resignation from the Board to the chair of the Corporate Governance and Nominating Committee (or, in the case of the chair of the Corporate Governance and Nominating Committee's occupation or association changing, to the Chairman of the Board and the Lead Independent Director, if one has been elected). The Corporate Governance and Nominating Committee shall review the director's continuation on the Board, and recommend to the Board whether, in light of all the circumstances, the Board should accept such proposed resignation or request that the director continue to serve.
- **Board Compensation.** The Board believes that the compensation of non employee directors of the Company should be a combination of cash and stock based components, and that such compensation should be comparable to that provided by other companies of similar size and scope. The Compensation Committee will annually review the status of director compensation relative to comparable companies. Any changes to Board compensation recommended by the Compensation Committee are subject to review and approval by the full Board.

Responsibilities of the Board of Directors

- **Responsibilities of Directors.** The basic duty of the Board of Directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. The primary responsibilities of the Board are providing oversight, counseling and direction to the management of the Company in the interest and for the benefit of the Company's shareholders. The Board's detailed responsibilities include:
 - Selecting, evaluating and setting the compensation for the Chief Executive Officer and approving the compensation of other senior executives;

- Planning for succession with respect to the Chief Executive Officer and monitoring management's succession planning for other senior executives;
- Reviewing and, where appropriate, approving the Company's major financial objectives, strategic and operating plans and actions;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Overseeing the processes for maintaining the integrity of the Company with regards to its financial statements and other public disclosures, and compliance with law and ethics; and
- Developing, monitoring, and evaluating its own actions and processes to ensure that the Board and its committees fulfill their duties and responsibilities to the Company's shareholders.

The Board of Directors has delegated to the Chief Executive Officer, working with the other executive officers of the Company, the authority and responsibility for managing the business of the Company in a lawful and ethical manner, consistent with the standards, policies and procedures of the Company, and in accordance with any specific plans, instructions or directions of the Board. The Chief Executive Officer and the other executive officers are required to seek the advice and, in appropriate situations, the approval of the Board with respect to certain major decisions in both the ordinary and extraordinary course of business.

- **Ethical Conduct.** Directors shall act at all times in accordance with the requirements of the Company's Code of Business Conduct & Ethics, which shall be applicable to each director and employee of the Company in connection with his or her activities on behalf of or relating to the Company. This obligation includes adherence to the Company's policies with respect to conflicts of interest, confidentiality, protection of the Company's assets, ethical conduct in business dealings and respect for and compliance with applicable law. Any waiver of the requirements of the Code of Business Conduct & Ethics with respect to any individual director or officer shall be approved by the Board of Directors and will be disclosed as required by applicable law.
- **Stock Ownership.** The Board is committed to fostering compensation programs and policies designed to encourage ownership of Company stock by directors and executive officers over the long term. In the view of the Board, such programs will help align the interests of the Company's directors and executive officers with those of the Company's shareholders. The Company has set stock ownership targets for its executive officers and directors. The ownership guidelines for directors are attached as Annex B.

Board Meetings and Materials

- **Scheduling.** Regular Board and committee meetings are scheduled in advance typically four times each year consisting of two full day sessions. In addition to regularly scheduled meetings, additional Board and committee meetings may be called upon appropriate notice any time to address specific needs of the Company. When it is impracticable to meet in person, the Board may convene by telephonic conference. The Board is currently following the practice of meeting by telephone conference call in each of the months in which it does not have a regular meeting. The Board may also take action from time to time by unanimous written consent.
- **Board Agenda.** The Chairman of the Board, in consultation with the other members of the Board, establishes the agenda for regular Board meetings and distributes it in advance to the Board. Any

director may recommend the agenda items, request the presence of or a report by any member of the Company's management or raise subjects that are not on the agenda.

- At the beginning of the year, the Board shall review the schedule of annual review subjects and shall add other appropriate matters to be discussed during the year, all of which shall be subject to change as matters arise during the year. It is expected that the Board will have regularly scheduled presentations from officers in charge of the Company's major business segments and operations, as well as the Chief Financial Officer, Chief Information Officer, Vice President of Human Resources and General Counsel, and in addition will review and, where appropriate, approve the Company's major operational, administrative, financial, marketing and strategic plans and actions.
- Information to Board. Information that is important to the understanding of the business to be conducted at any Board or committee meeting should generally be distributed in writing to the applicable directors before that meeting. These materials shall be informative but concise, and directors shall be expected to review these materials in advance of the meeting. Supplemental materials will be provided to the Board on a periodic basis and at any time upon request of Board members.
- Access to Employees. Directors have unrestricted access to all employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer's secretary, the Corporate Secretary or directly by the director. Directors will use their judgment to ensure that any such contact is not disruptive to the organization or business of the Company and will, if appropriate under the circumstances, copy the Chief Executive Officer on any written communications between that director and any employee of the Company.
- Officers who report to the Chief Executive Officer shall regularly attend Board meetings in which matters under their supervision and control are under discussion. Furthermore, the Board encourages these officers to bring managers into Board meetings from time to time who (a) can provide additional insight into the matters under discussion, or (b) are themselves managers with future potential who should be given exposure to the Board.
- Meetings of Non-Management Directors. The non management directors will meet privately periodically in regularly scheduled executive sessions, and, upon the request of any director, at any specially called Board meeting. The Lead Independent Director shall preside, provided that he has no conflict of interest with the subject matters under discussion, otherwise another presiding director shall be chosen by a majority of non management and non conflicted directors. At least one executive session each year shall be limited to independent directors only. Such meeting may also be conducted within the framework of the Corporate Governance and Nominating Committee so long as it includes all independent directors and allows participation by non-management directors.
- Director Orientation and Continuing Education. All new directors must participate in an orientation program, which should be conducted within three (3) months of the director's joining the Board. This orientation will include meetings with the Chief Executive Officer, the Chief Financial Officer and at least one other executive officer to familiarize the new director with the Company's strategic plans, financial control, reporting systems and compliance programs, and the Code of Business Conduct & Ethics. The Company shall provide continuing education programs for directors in order to maintain the skills and expertise that each director needs to perform his or her responsibilities as a director. Such continuing education programs may include a combination of internal and third party presentations and programs.

Board Committees

- **Number of Committees.** The current committees of the Board are the Audit Committee, the Executive Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee. The Audit, Compensation, and Corporate Governance and Nominating Committee shall be composed entirely of independent directors. The Executive Committee shall include at least three independent directors.
- Each committee has a written charter approved by the Board, which sets forth its authority, responsibilities and duties. Each committee will conduct an annual review of its charter, and will work with the Corporate Governance and Nominating Committee and the full Board to make such revisions as are considered appropriate.
- Each committee of the Board is authorized to retain independent legal, financial or other outside advisors as they deem necessary. The Company shall make payment or reimbursement, as determined by the committee, for the costs of such independent advisors.
- Each committee will regularly report to the Board concerning the committee's activities. The Executive Committee is responsible for exercising the powers of the Board in the management of the business and affairs of the Company when the Board is not in session and any other responsibilities delegated to it by the Board.
- **Committee Membership.** The Board appoints committee chairs and members on an annual basis with consideration given to the qualifications and preferences of individual directors. Each member of the Audit Committee must be financially literate, as such qualification is interpreted by the Board in its business judgment. In addition, at least one member of the Audit Committee shall be a person who satisfies the definition of an "audit committee financial expert" as set out in Item 401(e) of Regulation S K. Committees may only act by a vote or unanimous written consent of the appointed committee members.
- **Committee Agendas.** The committee chair, in consultation with the members of that committee, will determine the frequency and duration of the committee meetings and develop the committee's agenda. At the beginning of the year, each committee shall review the schedule of annual review subjects and shall add other appropriate matters to be discussed during the year, all of which shall be subject to change as matters arise during the year. The agendas and meeting minutes of the committees will be furnished to all directors. Other Board members may attend committee meetings with the permission of the committee chair.

Management and Board Review and Responsibility

- **Chief Executive Officer Performance Evaluation.** The full Board shall participate in an annual performance evaluation of the Chief Executive Officer. Both objective and subjective criteria will be used, including but not limited to: (a) the Company's financial performance, (b) the accomplishment of the Company's long term strategic objectives, and (c) the development of the Company's senior and middle management.
- **Succession Planning and Management Development.** The Corporate Governance and Nominating Committee, working with the Chief Executive Officer, will develop a plan for executive officer succession planning to be reviewed and approved by the Board. The Chief Executive Officer shall review management development with the Board on an annual basis.

- Board and Committee Evaluations. The Board, under the auspices of the Corporate Governance and Nominating Committee, will prepare an annual Board performance self evaluation. The assessment will focus on the Board's contribution to the Company and specifically concentrate on areas in which the Board believes that it could improve. In addition, each committee of the Board will prepare an annual performance self evaluation and report to the Board on the evaluation.
- Stakeholder Communications. The Chief Executive Officer is responsible for establishing effective communications with the Company's stakeholders: shareholders, customers, employees, communities, suppliers and creditors. Stakeholders may also communicate with non management directors by sending a request addressed to the Chairman of the Board, if it is a communication for consideration by all directors, or to any specific director. All such communications may be sent in care of the Company's General Counsel or Director of Public Relations. All communications will be forwarded to the intended director(s) without editing or screening.

APPROVED AND ADOPTED AS AMENDED BY THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE, AND BY THE BOARD OF DIRECTORS ON APRIL 27, 2009.



ANNEX A
RELATED PERSON TRANSACTION POLICY
TRUEBLUE, INC.

The Company's Business Code of Conduct and Ethics provides that employees, executive officers and directors must act in the best interests of the Company and refrain from engaging in any activity or having a personal interest that presents a "conflict of interest." In addition, under applicable SEC rules, the Company is required to disclose related person transactions as defined in the SEC's rules.

The Board has adopted this Related Person Transaction Policy to set forth the policies and procedures for the review and approval or ratification of Related Person Transactions (as defined below).

Definitions

For the purposes of this Policy, a "*Related Person*" is:

- any person who is or was an executive officer, director, or director nominee of the Company at any time since the beginning of the Company's last fiscal year;
- a person who is or was an Immediate Family Member of an executive officer, director, director nominee at any time since the beginning of the Company's last fiscal year;
- any person who, at the time of the occurrence or existence of the transaction, is the beneficial owner of more than 5% of any class of the Company's voting securities (a "Significant Shareholder"); or
- any person who, at the time of the occurrence or existence of the transaction, is an Immediate Family Member of a Significant Shareholder of the Company.

An "*Immediate Family Member*" of a person is any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of such person, or any other person sharing the household of such person, other than a tenant or employee.

A "*Related Person Transaction*" is any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which the Company was or is to be a participant, the amount involved exceeds \$120,000, and a Related Person had or will have a direct or indirect material interest. Except as otherwise set forth in this policy, "Related Person Transaction" specifically includes, without limitation, purchases of goods or services by or from the Related Person or entities in which the Related Person has a material interest, indebtedness, guarantees of indebtedness, and employment by the Company of a Related Person. The Board of Directors has determined that the following do not create a material direct or indirect interest on behalf of the Related Person, and are, therefore, not "Related Person Transactions" for purposes of this Policy:

- Interests arising only from the Related Person's position as a director of another corporation or organization that is a party to the transaction; or
- Interests arising only from the direct or indirect ownership by the Related Person and all other Related Persons in the aggregate of less than a 10% equity interest (other than a general partnership interest) in another entity which is a party to the transaction; or

- Interests arising from both the position and ownership level described in (1) and (2) above; or
- Interests arising solely from the Related Person's position as an executive officer of another entity (whether or not the person is also a director of such entity) that is a participant in the transaction, where (a) the Related Person and all other Related Persons own in the aggregate less than a 10% equity interest in such entity, (b) the Related Person and his or her Immediate Family Members are not involved in the negotiation of the terms of the transaction with the Company and do not receive any special benefits as a result of the transaction, (c) the amount involved in the transaction equals less than the greater of \$1 million dollars or 2% of the annual gross revenues of the other entity that is a party to the transaction, and (d) the amount involved in the transaction equals less than 2% of the annual gross revenues of the Company; or
- Interests arising solely from the ownership of a class of the Company's equity securities if all holders of that class of equity securities receive the same benefit on a pro rata basis; or
- A transaction that involves compensation to an executive officer if the compensation has been approved, or recommended to the Board of Directors for approval, by the Compensation Committee of the Board or a group of independent directors of the Company performing a similar function; or
- A transaction that involves compensation to a director for services as a director of the Company if such compensation will be reported pursuant to Item 402(k) of Regulation S K; or
- A transaction that is specifically contemplated by provisions of the Certificate of Incorporation or Bylaws of the Company; or
- Interests arising solely from indebtedness of a Significant Shareholder or an Immediate Family Member of a Significant Shareholder to the Company; or
- A transaction where the rates or charges involved in the transaction are determined by competitive bids; or
- A transaction that involves the rendering of services as a common or contract carrier or public utility at rates or charges fixed in conformity with law or governmental authority; or
- A transaction that involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

Policies and Procedures for Review, Approval or Ratification of Related Person Transactions

Any Related Person Transaction proposed to be entered into by the Company must be reported to the Company's General Counsel and shall be reviewed and approved by the Corporate Governance and Nominating Committee of the Board (the "Committee") in accordance with the terms of this Policy, prior to effectiveness or consummation of the transaction, whenever practicable. If the General Counsel determines that advance approval of a Related Person Transaction is not practicable under the circumstances, the Committee shall review and, in its discretion, may ratify the Related Person Transaction at the next meeting of the Committee, or at the next meeting following the date that the Related Person Transaction comes to the attention of the General Counsel; provided, however, that the General Counsel may present a Related Person Transaction arising in the time period between meetings of the Committee to the Chair of the Committee, who shall review and may approve the Related Person Transaction, subject to ratification by the Committee at the next meeting of the Committee.

In addition, any Related Person Transaction previously approved by the Committee or otherwise already existing that is ongoing in nature shall be reviewed by the Committee annually at its first regular

meeting in each fiscal year to ensure that such Related Person Transaction has been conducted in accordance with the previous approval granted by the Committee, if any, and that all required disclosures regarding the Related Person Transaction are made.

Transactions involving compensation of executive officers shall be reviewed and approved by the Compensation Committee in the manner specified in the charter of the Compensation Committee.

Standards for Review, Approval or Ratification of Related Person Transactions

A Related Person Transaction reviewed under this Policy will be considered approved or ratified if it is authorized by the Committee in accordance with the standards set forth in this Policy after full disclosure of the Related Person's interests in the transaction. As appropriate for the circumstances, the Committee shall review and consider:

- the Related Person's interest in the Related Person Transaction;
- the approximate dollar value of the amount involved in the Related Person Transaction;
- the approximate dollar value of the amount of the Related Person's interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of business of the Company;
- whether the transaction with the Related Person is proposed to be, or was, entered into on terms no less favorable to the Company than terms that could have been reached with an unrelated third party;
- the purpose of, and the potential benefits to the Company of, the transaction; and
- any other information regarding the Related Person Transaction or the Related Person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

The Committee will review all relevant information available to it about the Related Person Transaction. The Committee may approve or ratify the Related Person Transaction only if the Committee determines that, under all of the circumstances, the transaction is in or is not inconsistent with, the best interests of the Company. The Committee may, in its sole discretion, impose such conditions as it deems appropriate on the Company or the Related Person in connection with approval of the Related Person Transaction.

The review, approval or ratification of a transaction, arrangement or relationship pursuant to this Policy does not necessarily imply that such transaction, arrangement or relationship is required to be disclosed under Item 404(a) of Regulation S K.