

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934**

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): November 4, 2022

PFSweb, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(STATE OR OTHER JURISDICTION
OF INCORPORATION)

000-28275
(COMMISSION FILE NUMBER)

75-2837058
(IRS EMPLOYER
IDENTIFICATION NO.)

9250 ROYAL LANE, SUITE 100
IRVING, TX 75063
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(972) 881-2900
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

505 Millennium Drive,
Allen, Texas 75013
(FORMER ADDRESS)

Not Applicable
(FORMER NAME, IF CHANGED SINCE LAST REPORT)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, \$0.001 par value	PFSW	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

INFORMATION TO BE INCLUDED IN THE REPORT

ITEM 2.02. Results of Operations and Financial Condition

On November 9, 2022, PFSweb, Inc. (the "Company") issued a press release announcing its financial results for the quarter ended September 30, 2022. Attached as an exhibit to this Current Report on Form 8-K is a copy of the press release dated November 9, 2022. The press release contains certain non-GAAP measures, including non-GAAP net income from continuing operations, earnings before interest, income taxes, depreciation and amortization (EBITDA) from continuing operations, adjusted EBITDA from continuing operations and service fee equivalent revenue. The Company believes these non-GAAP measures provide useful information to both management and investors by focusing on certain operational metrics and excluding certain expenses in order to present its core operating performance and results. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. The non-GAAP measures included in the press release have been reconciled to the GAAP results contained in the press release.

ITEM 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Resignation of Director

On November 4, 2022, Shinichi Nagakura submitted to the Company's Board of Directors (the "Board") notice of his resignation from his position as a director of the Board, with such resignation to be effective immediately. The Board accepted Mr. Nagakura's resignation on November 4, 2022. Mr. Nagakura resigned his position to focus on his role at transcosmos inc. Mr. Nagakura's resignation as a director did not result from any disagreement with the Board.

Executive Transition, Related Amendment and Restatement to each of Mr. Willoughby's Employment and Severance Agreement and Change-in-Control Severance Agreement and Amended Transaction Bonus Agreement

On November 9, 2022, the Company announced that Michael Willoughby will take on the role of Executive Director of the Board, in addition to his CEO role. In this position, he will primarily focus on the strategic alternatives process while transitioning management responsibilities to COO Zach Thomann. Mr. Thomann is expected to take on the CEO role at some point in 2023.

The Company today also announced a restructuring of its CEO compensation program to better reflect the normalized leadership cost of our continuing operations on a pro forma standalone adjusted EBITDA basis. In connection with such restructuring, the Company has amended and restated both Mr. Willoughby's Employment and Severance Agreement (the "ESA") and Change in Control Severance Agreement (the "CIC").

Under the ESA effective from date of execution through June 30, 2023 (with a possible extension through December 31, 2023), the Company has reduced Mr. Willoughby's annual cash-based salary from \$530,000 to \$30,000. Mr. Willoughby will also receive a salary equivalent of \$100,000 per quarter paid in PFSW stock.

Such a reduction in salary would have normally triggered the Company's obligation to pay Mr. Willoughby two components that make up a Severance Payment, comprised of (a) \$1,060,000 in a cash payment (the "Cash Payment") (calculated as two times the current \$530,000 cash-based salary) and (b) two times the value of all incentive, target, time-based, and performance-based awards for the 2022 fiscal year (the "Award Payment").

In the ESA, Mr. Willoughby has agreed to receive the reduced cash-based salary of \$30,000 plus the quarterly PFSW share award and eliminate entirely the Cash Payment from a Severance Payment calculation – in both the ESA and CIC – in the event of a future Qualifying Termination (as defined in the ESA and CIC), leaving him with just the Award Payment (and previously-approved health benefits for two years) in either instance.

Further, Mr. Willoughby has agreed to a two-year non-compete in the CIC (consistent with the existing non-compete in the ESA).

To garner Mr. Willoughby's agreement to execute the new ESA and CIC with its amended terms, the Company has agreed to pay him \$954,000 upon ESA execution (equal to the prior Cash Payment less a 10% discount), and (under the ESA at the time of a Qualifying Termination) allow accelerated and immediate vesting of all existing restricted stock units and performance-based stock units, to the extent not vested based on target performance levels. Additionally, Mr. Willoughby will be eligible for a short-term incentive award grant to be paid in PFSW stock for the 2023 calendar year of \$386,250. Mr. Willoughby has agreed to forego any new 2023 long-term incentive component that previously had been valued at \$772,500 in each of the past several years.

Based on the amended terms of the ESA and CIC, assuming that a Qualifying Termination occurred as of November 9, 2022, Mr. Willoughby would be entitled to receive (i) cash or shares of the Company's stock, at the Board's election, valued at \$2.3 million, and (ii) benefits with an estimated value of approximately \$0.1 million, (such amounts would be the same in the event of a change in control), plus, if applicable, an additional amount to cover any excise tax liability.

In connection with the above, the Company has also agreed to amend the Transaction Bonus Agreement previously executed with Mr. Willoughby on May 11, 2022 to adjust the Outside Closing Date, as defined in such agreement, to be extended from December 31, 2022 to December 31, 2023.

ITEM 7.01 Regulation FD Disclosure

A copy of the Company's press release of November 9, 2022 announcing its financial results for the quarter ended September 30, 2022 is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in Items 2.02 and 7.01 of this Current Report on Form 8-K and the exhibit attached hereto as Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

ITEM 8.01 Other Events.

As a result of the Company's sale of its LiveArea business unit in August 2021, the Company received net proceeds of approximately \$140,000,000 (the "LiveArea Transaction"). The Board has determined that it is in the best interests of the Company and all its stockholders to return some of the net cash proceeds from the LiveArea Transaction to its stockholders and equity grant holders in the form of a special dividend or dividend equivalent, as the case may be.

Accordingly, on November 9, 2022, the Company announced that its Board of Directors has declared (i) a special cash dividend of \$4.50 per share to holders of issued and outstanding shares of the Company's Common Stock of record as of the close of business on December 1, 2022 (the "Special Dividend"), and (ii) a special dividend equivalent of \$4.50 per share to the holders of all equity awards under the Company's 2020 Stock Incentive Plan, as amended, granted and outstanding as of the close of business on December 1, 2022, payable in cash upon the achievement of applicable performance goals, vesting, and issuance of such equity awards pursuant to their specific terms. The Special Dividend is payable on December 15, 2022. The ex-dividend date will be November 30, 2022. The total Special Dividend (and special dividend equivalents) amount payable is approximately \$111 million, of which approximately \$9 million pertain to the special dividend equivalents. The announcement of the Special Dividend is contained in the press release attached hereto as exhibit 99.1.

The Company currently estimates that, for federal tax purposes, the Special Dividend will be treated as a taxable dividend. The taxable dividend may be eligible for treatment as a qualified dividend for federal tax purposes depending on the holding period of the underlying stock and other personal tax matters. The precise tax impact of the Special Dividend to specific stockholders depends upon the stockholder's individual tax situation. Stockholders are urged to consult with a tax advisor to determine the tax consequences of the Special Dividend received, including any state, local or foreign tax considerations.

ITEM 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
10.1	Executive Employment and Severance Agreement Amended and Restated by and between PFSweb, Inc. and Michael C Willoughby.
10.2	Change of Control Agreement Amended and Restated by and between PFSweb, Inc. and Michael C Willoughby.
5.2	Amendment to Transaction Bonus Agreement by and between PFSweb, Inc., Priority Fulfillment Services, Inc. and Michael Willoughby.
99.1	Press Release Issued November 9, 2022 Third Quarter 2022 Performance
104.0	Cover Page Interactive Data file, formatted in Inline XBRL

Cautionary Note Regarding Forward-Looking Statements. This Current Report on Form 8-K and the press release contain forward-looking statements which involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements.

SIGNATURE

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

PFSweb, Inc.

Dated: November 9, 2022

By: /s/ Thomas J. Madden
Thomas J. Madden
Executive Vice President,
Chief Financial Officer

AMENDMENT TO TRANSACTION BONUS AGREEMENT

This Amendment (the “Amendment”) is dated as of November 8, 2022 (“Effective Date”) amending the Transaction Bonus Agreement dated as of May 11, 2022 (the “TBA”) by and between Mike Willoughby (the “Executive”), PFSweb, Inc., (“PFSW”) and Priority Fulfillment Services, Inc. (the “Company” and, together with the PFSW, the “Companies”) (each a “Party,” and collectively, the “Parties”).

WHEREAS, the Companies are currently exploring potential strategic alternatives, which may involve a transaction that could result in a Change of Control (a “Transaction”) pursuant to a definitive transaction agreement (a “Transaction Agreement”);

WHEREAS, the continuing efforts of the Executive are necessary to the successful outcome of securing a Transaction and the completion of the same and, should the Board of Directors of PFSW (the “Board”) authorize the Company to enter into any such Transaction, would be necessary to the successful negotiation and execution of a Transaction Agreement and consummation of the transactions contemplated by any such Transaction Agreement (the “Closing”);

WHEREAS, as an inducement to the Executive to remain employed by the Company or PFSW, as the case may be, for the purpose of assisting with the consummation of such a Transaction, the Company has agreed to extend the time period in which the Closing of a Transaction may occur, and the Parties have agreed to modify this TBA as set forth herein.

1. **Modification.** As of the Effective Date of this Amendment, Section 1(a) of the TBA shall hereby be amended as agreed by the Compensation Committee of the Board of Directors to define the “Outside Closing Date” from December 31, 2022 as stated therein to a date specific of December 31, 2023.

Except as modified in this Amendment, all other terms and conditions of the TBA remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound hereby, have executed this Amendment as of the day and year first above mentioned.

COMPANIES

EXECUTIVE

By: /s/ Mercedes De Luca /s/ Michael Willoughby

Name: Mercedes De Luca Mike Willoughby
Title: Chair of Compensation Committee CEO, PFSW and PFS
of PFSW

**EXECUTIVE EMPLOYMENT AND SEVERANCE AGREEMENT
AMENDED AND RESTATED, AS OF NOVEMBER 8, 2022**

THIS AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AND SEVERANCE AGREEMENT is made and entered into as of the 8th day of November, 2022 by and between Michael C. Willoughby (the “Executive”) and PFSWEB, INC. (the “Company”), a corporation organized under the laws of Delaware.

This Agreement is a merger of the Prior Employment Agreement and the Prior Executive Severance Agreement, as hereinafter defined.

WITNESSETH

WHEREAS, the Executive is presently employed as an officer of the Company; and

WHEREAS, the Company and Executive desire to continue the current relationship for the Term of the Agreement (as set forth below) without triggering a Qualifying Termination or any other termination of Executive under this Amended and Restated Executive Employment and Severance Agreement (i.e., this “Agreement”) or any other agreement, including but not limited to, the Prior Executive Severance Agreement, as hereinafter defined;

WHEREAS, the Company and Executive desire to set forth the terms and conditions regarding the continued employment and payment of severance in the future, if any, to the Executive upon the termination of Executive’s employment; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Company and Executive hereby agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the respective meanings set forth below:

“Agreement Consideration” is \$954,000, which the Company will pay to Executive within 15 days of the effective date of the execution of this Agreement that describes new terms of employment and a revised future severance payout (if any). Should the Executive voluntarily terminate his employment prior to the end of the Term or if the Executive incurs a Termination for Cause by the Company during the Term of the Agreement, the Company has a right to a pro-rata claw back of the Agreement Consideration through and including June 30, 2023 (after which date the claw back will not be enforceable). The amount the Company may claw back shall not exceed the Agreement Consideration.

“Agreement Term” or “Term of Agreement” shall begin on the date of the execution of the Agreement and end June 30, 2023, on which date this Agreement and Executive’s employment shall end. Notwithstanding the foregoing sentence, the Company may extend the Agreement Term (and consequently, Executive’s employment) for a period of six (6) months through December 31, 2023 if the Executive agrees to such extension.

“Board” means the Board of Directors of the Company.

“Bonus Amount” means the Executive’s target bonus for the 2022 fiscal year of the Company. For purposes of clarity, the term “target” is inclusive of all incentive, target, time-based, and performance-based awards but excludes any transaction bonus.

“Competitive Activity” shall mean engaging in the Restricted Business or the provision of related services to any person or entity engaged in the Restricted Business.

“Disability” shall mean that an Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

“Prior Employment Agreement” means the Agreement Regarding Certain Terms and Conditions of Employment that the Company and the Executive executed on July 7, 2000. This Agreement supersedes the terms found in the Prior Employment Agreement. Notwithstanding the foregoing, the following portions of the Prior Employment Agreement shall still be valid and are incorporated by reference into this Agreement:

i. Definition of Invention

ii. Section 2

iii. Appendix A

“Prior Executive Severance Agreement” means the Executive Severance Agreement entered into between the Company and the Executive October 26, 2001 (as later amended on December 31, 2008).

“Qualifying Termination” means the termination by the Company of Executive’s employment other than a Termination for Cause but including termination by reason of the Executive’s death or Disability. The term “Qualifying Termination” shall not include the termination by Executive of his employment, unless such termination is within 30 days of the reduction by the Company of the Executive’s annual base salary from its then current amount, other than a reduction which is part of, and proportionate with, a general reduction of annual base salaries of not less than three-quarters (in number) of the Company’s officers. For the purpose of clarification, execution of this Agreement that provides Executive with a cash-based salary as described in Section 2 will not constitute a Qualifying Termination for this Agreement or any other Prior Executive Severance Agreement.

“Restricted Business” means providing eCommerce order fulfillment, call center, and order-to-cash management services, and any other business activity in which the Company is engaged in the Territory at any time during which the Company employed the Executive.

“Separation from Service” means a termination of the Executive’s employment with the Employer and its Affiliates for reasons other than death or Disability. A Separation from Service may occur as of a specified date for purposes of the Agreement even if the Executive continues to provide some services for the Employer or its Affiliates after that date, provided that the facts and circumstances indicate that the Employer and the Executive reasonably anticipated at that date that either no further services would be performed after that date, or that the level of bona fide services the Executive would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period. For purposes of this Agreement and any payment hereunder, a termination must meet the definition of a Separation from Service.

“Subsidiary” means any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors or in which the Company has the right to receive 50% or more of the distribution of profits or 50% of the assets upon liquidation or dissolution.

“Termination for Cause” means the termination by the Company of Executive’s employment as the result of:

- i. the willful and continued failure of Executive to perform substantially his duties with the Company (other than any such failure resulting from Executive’s incapacity due to physical or mental illness); or
- ii. the willful engaging by Executive in illegal conduct (including without limitation, conviction of a felony) or gross misconduct which is demonstrably and materially injurious to the Company or its affiliates; or
- iii. any breach by Executive of the provisions of Sections 9 or 10 below.

For purposes of this definition, no act or failure to act by Executive shall be considered “willful” unless done or omitted to be done by Executive in bad faith and without reasonable belief that Executive’s action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board, based upon the advice of counsel for the Company (or upon the instructions of the Company’s chief executive officer or another senior officer of the Company other than the Executive) shall be conclusively presumed to be done, or omitted to be done, by Executive in good faith and in the best interests of the Company.

2. Executive Compensation. Effective November 15, 2022 and through the Agreement Term, the Executive will receive a cash-based salary equal to a per annum of \$30,000 (and thus, pro-rated, if necessary to conform to periods less than a calendar year), to be paid in accordance with the Company’s normal payroll practices. In addition to the cash-based salary, the Executive shall be entitled to equity-based compensation in a number of shares equal to \$100,000 per fiscal quarter. The Company shall determine such share count by using the average share price for that current quarter’s quarter-end price (with a minimum established share price conversion floor of \$4.50). The Company shall round up such calculation to the next whole share and pay the equity-based compensation as soon as administratively possible following the end of such fiscal quarter.

3. Severance and Status.

(a) In the event of a Qualifying Termination, the Company shall pay (in cash or stock, at the Company’s sole discretion, rounded up to the next highest dollar or whole share, as the case may be) to Executive a severance payment (“Severance Payment”) equal to the Bonus Amount, multiplied by two (2).

(b) The Severance Payment shall be reduced by (i) the amount of any loans, advances or other amounts then due and owing by Executive to the Company, and (ii) and shall be net of any and all required withholding and taxes. To the extent the Qualifying Termination

arises from the Disability of Executive, the Severance Payment shall be reduced by the amount of any disability insurance benefits payable to Executive.

(c) The Severance Payment shall be payable in equal monthly installments during the Payment Period. The "Payment Period" equals two (2) years.

(d) In the event of a Qualifying Termination, Executive shall continue to be deemed an employee of the Company during the Payment Period for purposes of (i) receiving employee benefits as provided in Section 4 below, (ii) exercising Options and receiving all existing restricted stock units and performance-based units as provided in Section 5 below and (iii) all other matters, rights and privileges in which Executive's status as an employee of the Company would entitle Executive to some benefit, right, or privilege.

4. Benefits. In the event of a Qualifying Termination, Executive may continue participating in the Company health and welfare plans during the Payment Period, so long as the plan documents permit (and both Company and Executive will continue to pay the respective share of premiums in the same manner as it had before the Executive's Qualifying Termination). If the Executive cannot participate in any of those plans because the terms of such plans do not allow, Company shall pay to the Executive for Executive (and Executive's dependents, if applicable) a dollar amount (the "Benefit Payment") in lieu of enrollment in any of the current medical dental, accident, disability, and life insurance benefits. The Company shall calculate the Benefit Payment by multiplying twenty-four (24) times the total monthly premium for individual policies (as mutually agreed upon) that provide benefit at a level that is substantially similar to the benefit levels in which the Executive was enrolled immediately preceding the Qualifying Termination. Such Benefit Payment shall be paid in a lump-sum to the Executive within forty-five (45) days of the Executive's termination. In addition, the Company will gross up the Benefit Payment at the highest marginal tax rate to account for taxes paid on such Benefit Payment. Nothing in the Section shall be interpreted to affect the Executive's rights to continuation benefits under COBRA.

5. Options and All Existing Restricted Stock Units and Performance-Based Units. In the event of a Qualifying Termination, all options ("Options") to purchase shares of the Company's common stock then held by Executive shall, to the extent not vested, accelerate and immediately vest and shall continue to be exercisable, notwithstanding such Qualifying Termination, for the full stated term thereof. In addition, in the event of a Qualifying Termination, the Company shall, to the extent not vested, accelerate and immediately vest, all existing restricted stock units and performance-based units, and the Company will be pay out such units at target level performance within 15 days of the Qualifying Termination.

6. Termination of Employment. This Agreement constitutes a revised employment agreement and, at its execution, does not constitute a Qualifying Termination or any other termination of Executive under this Agreement or any other agreement, including but not limited to, the Prior Executive Severance Agreement. The Company shall have the right to terminate

Executive's employment and this Agreement at any time, with or without Cause; provided, however, that:

(a) in the event of a Qualifying Termination, the Company shall pay to Executive the Severance Payment and other benefits provided hereunder; and

(b) in the event of a Termination for Cause, the Company shall have no other liability or obligation to Executive hereunder except to pay to Executive, within 15 days of the effective date of the Termination for Cause, all annual base salary, bonus, expense reimbursement and other amounts which have accrued and are due and payable as of such date, reduced by the amount of any loans, advances or other amounts then due and owing by Executive to the Company and net of any and all required withholding and taxes.

For purposes of this Agreement, "Cause" shall not exist unless and until (i) the Company has delivered to Executive a copy of a resolution duly adopted by a majority of the entire Board (excluding Executive if Executive is a Board member) at a meeting of the Board called and held for such purpose (after reasonable notice to Executive and an opportunity for Executive, together with counsel, to be heard before the Board), finding that in the good faith opinion of the Board an event constituting Cause has occurred and specifying the particulars thereof in detail, and (ii) Executive has had a reasonable opportunity (of not less than 90 days) to cure or correct, to the reasonable satisfaction of a majority of the Board (excluding Executive if Executive is a Board member) the event constituting Cause as determined in accordance with the immediately preceding clause (i). The Company must notify Executive of any event constituting Cause within 90 days following the Company's knowledge of its existence or such event shall not constitute Cause under this Agreement.

7. Dispute; Reimbursement of Expenses. If any contest or dispute shall arise under this Agreement involving a Qualifying Termination or involving the failure or refusal of the Company to pay any amount arising in connection with such Qualifying Termination, the Company shall (i) pay interest on the unpaid portion of the Severance Payment, at a fluctuating annual rate of interest equal to the prime rate of Chase Bank of Manhattan plus two percent (2%) from the effective date of the Qualifying Termination until paid in full and (ii) reimburse Executive, on a current basis, for all reasonable legal fees and expenses, if any, incurred by Executive in connection with such contest or dispute; provided, however, Executive shall be required to repay any such amounts to the Company to the extent that a court or arbitrator issues a final order from which no appeal can be taken, or with respect to which the time period to appeal has expired, setting forth the determination that the position taken by Executive was frivolous or advanced by Executive in bad faith.

8. No Mitigation; Coordination with Change in Control Benefits.

(a) In the event of any Qualifying Termination, Executive shall be under no obligation to seek other employment.

(b) To the extent Executive and the Company have executed and delivered that certain “Amended and Restated Change in Control Severance Agreement” (the “CIC Severance Agreement”), then, notwithstanding anything contained herein, in the event that (i) Executive’s employment shall be terminated under circumstances which constitute a “Qualifying Termination” during the “Termination Period” (as such terms are defined in the CIC Severance Agreement), and (ii) Executive shall have fully received, or provision has been made for payment in full of, all of the payments and benefits to which he may be entitled under the terms of the CIC Severance Agreement, then, in such event, the provisions of this Agreement relating to the Company’s payment of a Severance Payment to Executive shall not apply and neither party shall have any liability or obligation with respect to such Severance Payment.

9. Confidentiality. Without limitation of any other agreement of the Executive:

(a) Confidential Information. Executive acknowledges the Company’s exclusive ownership of all information useful in the business of the Company, its subsidiaries and its affiliates (including its dealings with suppliers, customers and other third parties, whether or not a legal “trade secret”), which at the time or times concerned is not generally known to persons engaged in businesses similar to those conducted by the Company, and which has been or is from time to time disclosed to, discovered by, or otherwise known by the Executive as a consequence of his employment by the Company (including information conceived, discovered or developed by the Executive during his employment with the Company) (collectively, “Confidential Information”). Confidential Information includes, but is not limited to, the following especially sensitive types of information:

- i. the identity, purchase, and payment patterns of, and special relations with, the Company’s customers;
- ii. the Company’s business development and marketing plans;
- iii. the identity, net prices, and credit terms of, and special relations with the Company’s suppliers; and
- iv. the Company’s finances, except to the extent publicly disclosed.

(b) Proprietary Materials. The term “Proprietary Materials” shall mean all business records, documents, drawings, writings, software, programs, and other tangible things which were or are created or received by or for the Company in furtherance of its business, including, but not limited to, those which contain Confidential Information. For example, Proprietary Materials include the following especially sensitive types of materials: applications software, the data bases of Confidential Information maintained in connection with such software, and printouts generated from such data bases; market studies and strategic plans; customer, supplier and employee lists; contracts and correspondence with customers and suppliers; documents evidencing transactions with customers and suppliers; sales calls reports, appointment books, calendars, expense statements and the like, reflecting conversations with any

company, customer or supplier; and purchasing, sales and policy manuals. Proprietary Materials also include any such things that are created by Executive or with Executive's assistance and all notes, memoranda and the like prepared using the Proprietary Materials and/ or Confidential Information.

(c) Acknowledgments by Executive. While some of the information contained in Proprietary Materials may have been known to the Executive prior to employment with the Company, or may now or in the future be in the public domain, the Executive acknowledges that the compilation of that information contained in the Proprietary Materials has or will cost the Company a great effort and expense, and affords persons to whom Proprietary Materials are disclosed, including the Executive, a competitive advantage over persons who do not know the information or have the compilation of the Proprietary Materials. The Executive further acknowledges that Confidential Information and Proprietary Materials include commercially valuable trade secrets and become the Company's exclusive property when they are conceived, created or received. The Executive shall report to the Company promptly, orally (or, at the Company's request, in writing) all discoveries, inventions and improvements, whether or not patentable, and which either (i) relate to or arise out of any part of the Company's business in which the Executive participates, or (ii) incorporate or make use of Confidential Information or Proprietary Materials (all items referred to in this Section 9 being sometimes collectively referred to herein as the "Intellectual Property"). All Intellectual Property shall be deemed Confidential Information of the Company, and any writing or other tangible things describing, referring to, or containing Intellectual Property shall be deemed the Company's Proprietary Materials. At the request of the Company, at any time, the Executive (or after the Executive's death, the Executive's personal representative) shall, at the expense of the Company, make, execute, and deliver all papers, assignments, conveyances, installments or other documents, and perform or cause to be performed such other lawful acts, and give such testimony, as the Company deems necessary or desirable to protect the Company's ownership rights and Intellectual Property.

(d) Confidentiality Duties of Executive. Executive shall, except as may be required by law, at all times while employed by the Company and during the two-year period following any termination of Executive's employment:

- i. comply with all of the Company's reasonable instructions (whether oral or written) for preserving the confidentiality of Confidential Information and Proprietary Materials;
- ii. use Confidential Information and Proprietary Materials only in furtherance of the Company's business;
- iii. exercise appropriate care to advise other employees of the Company (and, as appropriate, subcontractors) of the sensitive nature of Confidential Information and Proprietary Materials prior to their disclosure, and to disclose the same only on a need-to-know basis;

iv. not copy all or any part of Proprietary Materials, other than in the course of carrying out the Executive's duties and responsibilities for the Company;

v. not sell, give, loan, or otherwise transfer any copy of all or any part of Proprietary Materials to any person who is not an employee of the Company, other than in the course of carrying out the Executive's duties and responsibilities for the Company; and

vi. not publish, lecture on, or otherwise disclose to any person who is not an -employee of the Company, other than in the course of carrying out the Executive's duties and responsibilities for the Company, all or any part of Confidential Information or Proprietary Materials; and not use all or any part of any Confidential Information or Proprietary Materials for the benefit of any third party without the Company's written consent.

(e) Return Of Company Property. Promptly following the termination of Executive's employment, the Executive (or in the event of death, the Executive's personal representative) shall promptly surrender to the Company the original and all copies of Proprietary Materials (including all notes, memoranda and the like concerning or derived therefrom), whether prepared by the Executive or others, which are then in the Executive's possession or control. Records of payments made by the Company to or for the benefit of the Executive, the Executive's copy of this Agreement, his rolodexes, personal diaries, personal mementos, personal effects shall not be deemed Proprietary Materials for purposes of this paragraph (e), and other such things, lawfully possessed by the Executive which relate solely to taxes payable by the Executive, employee benefits due to the Executive or the terms of the Executive's employment with the Company, shall also not be deemed Proprietary Materials for purposes of this paragraph.

10. Restrictive Covenant. Without limitation of any other agreement of Executive, and in order to protect the valid business interests of the Company, and in consideration of the Severance Payment and other benefits provided hereunder, Executive covenants and agrees as follows:

(a) For so long as Executive is employed by the Company and during the longer of the Benefit Period or the one-year period following the termination of Executive's employment (herein, the "Restricted Period"):

i. Executive will not provide any Competitive Activity or become associated with, directly or indirectly, as employee, proprietor, stockholder, partner, consultant or otherwise, with any sole proprietorship, corporation, partnership, joint venture, person, or other entity that engages in a Restricted Business;

ii. Executive will not, whether directly or indirectly, and whether on his own behalf or as an employee, officer, director, consultant, advisor, agent, representative, shareholder, partner, independent contractor or in any capacity on behalf of any sole proprietorship, corporation, partnership, joint venture, person or other entity that engages in a

Restricted Business , solicit or attempt to solicit any client or customer of the Company or any person or entity which at any time during the six months prior to the termination of Executive's employment was then a prospective client or customer of the Company;

iii. Executive will not attempt in any manner to persuade any of the customers of the Company to cease doing business or reduce the amount of business which any of such customers has done or may contemplate doing with the Company; and

iv. Executive will not, whether directly or indirectly, and whether on his own behalf or as an employee, officer, director, consultant, advisor, agent, representative, shareholder, partner, independent contractor, or in any capacity on behalf of any sole proprietorship, corporation, partnership, joint venture, person, or other entity, employ any person who at any time during the Restricted Period is or was an employee of the Company

(b) Executive acknowledges that his position with the Company requires the performance of services which are, and will be, special, unique, and extraordinary and such position places him, and will place him, in a position of confidence and trust with the customers of the Company, and accordingly that the restrictive covenants set forth above are necessary in order to protect and maintain the legitimate business interests of the Company. The Executive further acknowledges that the location of the Company's customers and business extends beyond the geographic area of the Company's principal office or state of incorporation and it is reasonable that the restrictive covenants set forth above are not limited by any specific geographic area.

(c) Executive acknowledges that the remedy at law for any breach of the confidentiality provisions of this Agreement or this restrictive covenant by him will be inadequate and that, accordingly, the Company shall, in addition to all other available remedies (including without limitation seeking damages and an accounting for lost profits), be entitled to injunctive relief.

(d) Executive acknowledges that the restrictions imposed herein are fair and reasonable and are required for the protection of the Company and are given as an inducement to the Company to enter into this Agreement and are an integral part of the transactions contemplated herein. The Executive further acknowledges that he has the means, skills, and ability to earn a livelihood without violation of the terms of this restrictive covenant. If any of the covenants contained in this Agreement, or any part hereof, is hereinafter construed to be invalid or unenforceable, the same shall not affect the remainder of the covenant or covenants, which shall be given full effect, without regard to the invalid portions. If any of the covenants contained in this Agreement, or any part hereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court making such determination shall have the power to reduce the duration and/or geographic area of such provision and, in its reduced form, said provision shall then be enforceable.

(e) The parties agree that in the event that the courts of any one or more of any state having jurisdiction shall hold the above covenants wholly unenforceable by reason of the breadth of scope or otherwise, it is the intention of the parties hereto that such determination not bar or in any way affect the right of the Company to the relief provided above in the courts of any other states within the geographical scope of such covenants, as to breaches of such covenants in such other respective jurisdictions, the above covenants as they relate to each state being, for this purpose, severable into diverse and independent covenants.

11. Successors; Binding Agreement.

(a) This Agreement shall not be terminated by any the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or any of its Subsidiaries (a "Business Combination"), and in any such event, the provisions of this Agreement shall be binding upon the surviving entity thereof, and such Surviving Corporation shall be treated as the Company hereunder.

(b) The Company agrees that in connection with any Business Combination, it will cause any successor entity to the Company to unconditionally assume (and for any parent corporation in such Business Combination to guarantee), by written instrument delivered to Executive (or his beneficiary or estate), all of the obligations of the Company hereunder. Failure of the Company to obtain such assumption and guarantee at least three days prior to the effectiveness of any such Business Combination (the "Assumption Date") shall be a breach of this Agreement and shall, effective as of the Assumption Date, entitle Executive to compensation and other benefits from the Company in the same amount and on the same terms as Executive would be entitled hereunder by reason of a Qualifying Termination.

(c) This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive shall die while any amounts would be payable to Executive hereunder had Executive continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to such person or persons appointed in writing by Executive to receive such amounts or, if no person is so appointed, to Executive's estate.

12. Notice. For purposes of this Agreement, all notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered or five (5) days after deposit in the United States mail, certified and return receipt requested, postage prepaid, addressed as follows:

If to the Executive: to the most recent address of such Executive on the books and records of the Company; and

If to the Company: PFSweb, Inc., Attention: Secretary, 500 North Central Expressway, Plano, TX 75074;

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

13. Full Settlement. The Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall be in full settlement of all claims and potential claims by Executive against the Company and its officers, directors, employees, agents, and representatives in respect of the termination of Executive's employment or any other matter relating to Executive's employment by the Company. The Company's obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense, or other claim, right or action that the Company may have against Executive or others. Subject to the provisions of Section 8(b) above, the terms and provisions of this Agreement are in addition to, and not in lieu of, the terms and provisions of the CIC Severance Agreement, if any, between the Company and Executive.

14. Employment with Subsidiaries. Employment with the Company for purposes of this Agreement shall include employment with any Subsidiary.

15. Survival. The respective obligations and benefits afforded to the Company and Executive shall survive any termination of Executive's employment or the termination of this Agreement.

16. GOVERNING LAW; VALIDITY. THE INTERPRETATION, CONSTRUCTION AND PERFORMANCE OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF, OF SUCH PRINCIPLES OF ANY OTHER JURISDICTION WHICH COULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE. THE INVALIDITY OR UNENFORCEABILITY OF ANY PROVISION OF THIS AGREEMENT SHALL NOT AFFECT THE VALIDITY OR ENFORCEABILITY OF ANY OTHER PROVISION OF THIS AGREEMENT, WHICH OTHER PROVISIONS SHALL REMAIN IN FULL FORCE AND EFFECT.

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

18. Miscellaneous. No provision of this Agreement may be modified or waived unless such modification or waiver is agreed to in writing and signed by Executive and by a duly authorized officer of the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. Failure by Executive or the Company to insist upon strict compliance with any provision of this Agreement or to assert any right Executive or the Company may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement. The headings contained in

this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement (and, as applicable, the CIC Severance Agreement) constitute the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, of the parties.

19. Resolution of Disputes. Any disputes arising under or in connection with this Agreement may, at the election of the Executive or the Company, be resolved by binding arbitration, to be held in Dallas, Texas, in accordance with the rules and procedures of the American Arbitration Association. If arbitration is elected, the Executive and the Company shall mutually select the arbitrator. If the Executive and the Company cannot agree on the selection of an arbitrator, each party shall select an arbitrator and the two arbitrators shall select a third arbitrator who shall resolve the dispute. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Costs of the arbitration shall be borne by the Company. The foregoing shall not restrict the ability of any party to seek injunctive or equitable relief in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized officer of the Company and Executive has executed this Agreement as of the day and year first above written.

[Signatures on the Following Page]

PFSweb, Inc.

By: /s/ Thomas Madden_____

Name: Thomas Madden

Title: Chief Financial Officer

Board of Directors of
PFSweb, Inc.

By: /s/ G Mercedes De Luca__

Name: G Mercedes De Luca

Title: Board Member

EXECUTIVE:

/s/ Michael Willoughby
Michael C. Willoughby

**CHANGE IN CONTROL SEVERANCE AGREEMENT
AMENDED AND RESTATED, AS OF NOVEMBER 8, 2022**

THIS AMENDED AND RESTATED AGREEMENT (the “Agreement”) is entered into as of the 8th day of November, 2022 by and between PFSweb, Inc., a Delaware corporation (the “Company”) and Michael Willoughby (“Executive”).

WITNESSETH

WHEREAS, the Company considers the establishment and maintenance of a sound and vital management to be essential to protecting and enhancing the best interests of the Company and its stockholders; and

WHEREAS, the Company recognizes that, as is the case with many publicly held corporations, the possibility of a change in control may arise and that such possibility may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders; and

WHEREAS, the Board (as defined in Section 1) has determined that it is in the best interests of the Company and its stockholders to secure Executive's continued services and to ensure Executive's continued and undivided dedication to his duties in the event of any threat or occurrence of a Change in Control (as defined in Section 1) of the Company; and

WHEREAS, the Company and the Executive are parties to that certain Change in Control Severance Agreement (the “2000 Agreement”) dated June 9, 2000; and

WHEREAS, on December 31, 2008, the Company and the Executive amended the Agreement (the “2008 First Amended Agreement”);

WHEREAS, the Company and the Executive seek to amend and restate the 2000 Agreement to incorporate the 2008 First Amended Agreement to update the Agreement to reflect the terms that the Company and the Executive have negotiated since the 2008 First Amended Agreement; and

NOW, THEREFORE, it is agreed that the 2000 Agreement and 2008 First Amended Agreement be and hereby are restated and amended into this Agreement as follows:

1. Definitions. As used in this Agreement, the following terms shall have the respective meanings set forth below:

a. “Amended and Restated Executive Employment and Severance Agreement” shall mean the Amendment of Severance Executive Agreement entered into between the Company and the Executive.

b. “Board” means the Board of Directors of the Company.

c. “Bonus Amount” means the Executive’s target bonus for the 2022 fiscal year of the Company. For purposes of clarity, the term “target” in is inclusive of all incentive, target, time-based, and performance-based awards but excludes any transaction bonus.

d. “Cause” means (i) the willful and continued failure of Executive to perform substantially his duties with the Company (other than any such failure resulting from Executive’s incapacity due to physical or mental illness or any such failure subsequent to Executive being delivered a Notice of Termination without Cause by the Company or delivering a Notice of

Termination for Good Reason to the Company) after a written demand for substantial performance is delivered to Executive by the Board which specifically identifies the manner in which the Board believes that Executive has not substantially performed Executive's duties, or (ii) the willful engaging by Executive in illegal conduct or gross misconduct which is demonstrably and materially injurious to the Company or its affiliates. For purpose of the preceding sentence, no act or failure to act by Executive shall be considered "willful" unless done or omitted to be done by Executive in bad faith and without reasonable belief that Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board, based upon the advice of counsel for the Company (or upon the instructions of the Company's chief executive officer or another senior officer of the Company) shall be conclusively presumed to be done, or omitted to be done, by Executive in good faith and in the best interests of the Company. Cause shall not exist unless and until the Company has delivered to Executive a copy of a resolution duly adopted by a majority of the entire Board (excluding Executive if Executive is a Board member) at a meeting of the Board called and held for such purpose (after reasonable notice to Executive and an opportunity for Executive, together with counsel, to be heard before the Board), finding that in the good faith opinion of the Board an event set forth in clauses (i) or (ii) has occurred and specifying the particulars thereof in detail. The Company must notify Executive of any event constituting Cause within ninety (90) days following the Company's knowledge of its existence or such event shall not constitute Cause under this Agreement.

e. "Change in Control" has the meaning provided in Section 409A of the Code and the Regulations thereunder.

f. "Competitive Activity" shall mean engaging in the Restricted Business or the provision of related services to any person or entity engaged in the Restricted Business.

g. "Date of Termination" means (i) the effective date on which Executive's employment by the Company terminates as specified in a prior written notice by the Company or Executive, as the case may be, to the other, delivered pursuant to Section 6 or (ii) if Executive's employment by the Company terminates by reason of death, the date of death of Executive.

h. "Disability shall mean that an Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

i. Reserved

j. "Good Reason" means without Executive's express written consent, the occurrence of any of the following events after a Change in Control:

i. (A) Any change in the duties or responsibilities (including reporting responsibilities) of Executive that is inconsistent in any material and adverse respect with Executive's position(s), duties, responsibilities or status with the Company immediately prior to such Change in Control (including any material and adverse diminution of such duties or responsibilities); provided, however, that Good Reason shall not be deemed to occur upon a change in duties or responsibilities (other than reporting responsibilities) that is solely and directly a result of the Company no longer being a publicly traded entity and does not involve any other event set forth in this paragraph or (B) a material and adverse change in Executive's titles or offices (including, if applicable, membership on the Board) with the Company as in effect immediately prior to such Change in Control;

ii. a material reduction by the Company in Executive's rate of annual base salary or annual target bonus opportunity (including any material and adverse change in the

formula for such annual bonus target) as in effect immediately prior to such Change in Control or as the same may be increased from time to time thereafter;

iii. any requirement of the Company that Executive (A) be based anywhere more than thirty-five (35) miles from the office where Executive is located at the time of the Change in Control, if such relocation increases Executive's commute by more than twenty (20) miles, or (B) travel on Company business to an extent substantially greater than the travel obligations of Executive immediately prior to such Change in Control;

iv. the failure of the Company to (A) continue in effect any employee benefit plan, compensation plan, welfare benefit plan or material fringe benefit plan in which Executive is participating immediately prior to such Change in Control or the taking of any action by the Company which would adversely affect Executive's participation in or materially reduce Executive's benefits under any such plan, unless Executive is permitted to participate in other plans providing Executive with substantially equivalent benefits in the aggregate (at substantially equivalent cost with respect to welfare benefit plans), or (B) provide Executive with paid vacation in accordance with the most favorable vacation policies of the Company as in effect for Executive immediately prior to such Change in Control, including the crediting of all service for which Executive had been credited under such vacation policies prior to the Change in Control;

v. any refusal by the Company to continue to permit Executive to engage in activities not directly related to the business of the Company which Executive was permitted to engage in prior to the Change in Control;

vi. any purported termination of Executive's employment which is not effectuated pursuant to Section 4 (and which will not constitute a termination hereunder); or

vii. the failure of the Company to obtain the assumption, (and, if applicable, guarantee) agreement from any successor (and, if applicable, Parent Corporation) as contemplated in Section 5.

For purposes of this Agreement, "Good Reason" shall mean that the Executive has complied with the Good Reason Process (as defined below) following the occurrence of any of the events described in paragraphs (i) through (vii) above. "Good Reason Process" shall mean that: (A) the Executive reasonably determines in good faith that a "Good Reason" event has occurred; (B) the Executive notifies the Company in writing of the occurrence of the Good Reason event within 90 days of the occurrence of such event; (C) the Executive cooperates in good faith with the Company's efforts, for a period not less than 30 days following such notice, to modify the Executive's employment situation in a manner acceptable to the Executive and the Company; and (D) notwithstanding such efforts, one or more of the Good Reason events continues to exist and has not been modified in a manner acceptable to the Executive. If the Company cures the Good Reason event in a manner acceptable to the Executive during the 30-day period, Good Reason shall be deemed not to have occurred.

k. "Qualifying Termination" means a termination of Executive's employment (i) by the Company other than for Cause or (ii) by Executive for Good Reason. Termination of Executive's employment on account of death or Disability shall not be treated as a Qualifying Termination.

l. "Restricted Business" means providing eCommerce order fulfillment, call center, and order-to-cash management services, and any other business activity in which the Company is engaged in the Territory at any time during which the Company employed the Executive.

m. "Restricted Period" means the period during which the Company employs the Executive and the two-year period following the Executive's separation of employment from the Company for any reason.

n. "Separation from Service" means a termination of the Executive's employment with the Employer and its Affiliates for reasons other than death or Disability. A Separation from Service may occur as of a specified date for purposes of the Agreement even if the Executive continues to provide some services for the Employer or its Affiliates after that date, provided that the facts and circumstances indicate that the Employer and the Executive reasonably anticipated at that date that either no further services would be performed after that date, or that the level of bona fide services the Executive would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period. For purposes of this Agreement and any payment hereunder, a termination must meet the definition of a Separation from Service.

o. "Specified Employee" is an employee who, as of the employee's Date of Termination, is a key employee of the Employer within the meaning of Section 416(i)(1)(A)(i), (ii), or (iii) of the Code (applied in accordance with the regulations thereunder and disregarding Section 416(i)(5)) at any time during the 12-month period ending on a Specified Employee Identification Date. If an Employee is a key employee as of a Specified Employee Identification Date, the Employee is treated as a key employee for purposes of the Agreement for the entire 12-month period beginning on the Specified Employee Effective Date.

p. "Specified Employee Identification Date" shall mean December 31 of each year.

q. "Subsidiary" means any corporation or other entity in which the Company has a direct or indirect ownership of 50% or more of the total combined voting power of the then outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors or in which the Company has the right to receive 50% or more of the distribution of profits or 50% of the assets upon liquidation or dissolution.

r. "Termination Period" means the period of time beginning with a Change in Control and ending two (2) years following such Change in Control. Notwithstanding anything in this Agreement to the contrary, if (i) Executive's employment is terminated prior to a Change in Control for reasons that would have constituted a Qualifying Termination if they had occurred following a Change in Control; (ii) Executive reasonably demonstrates that such termination (or Good Reason event) was at the request of a third party who had indicated an intention or taken steps reasonably calculated to effect a Change in Control; and (iii) a Change in Control involving such third party (or a party competing with such third party to effectuate a Change in Control) does occur, then for purposes of this Agreement, the date immediately prior to the date of such termination of employment or event constituting Good Reason shall be treated as a Change in Control. For purposes of determining the timing of payments and benefits to Executive under Section 4, the date of the actual Change in Control shall be treated as Executive's Date of Termination under Section 1(g).

s. "Territory" means: (i) the state of domicile or incorporation of the Company; (ii) the state of domicile or incorporation of any Subsidiary of the Company; and (iii) any other state or country in which the Company is doing business while Company employs the Executive. Executive acknowledges and agrees that the Executive will be performing services for the Company throughout the Territory.

2. Obligation of Executive. In the event of a tender or exchange offer, proxy contest, or the execution of any agreement which, if consummated, would constitute a Change in Control,

Executive agrees not to voluntarily leave the employ of the Company, other than as a result of Disability or an event which would constitute Good Reason if a Change in Control had occurred, until the Change in Control occurs or, if earlier, such tender or exchange offer, proxy contest, or agreement is terminated or abandoned.

3. Term of Agreement. This Agreement shall be effective on the date hereof and shall continue in effect until the Company shall have given three (3) years' written notice of cancellation; provided, that, notwithstanding the delivery of any such notice, this Agreement shall continue in effect for a period of two (2) years after a Change in Control, if such Change in Control shall have occurred during the term of this Agreement. Notwithstanding anything in this Section to the contrary, this Agreement shall terminate if Executive or the Company terminates Executive's employment prior to a Change in Control except as provided in Section 1(j).

4. Payments and Benefits.

t. Qualifying Termination – Severance. If during the Termination Period the employment of Executive shall terminate pursuant to a Qualifying Termination, then the Company shall pay to Executive:

i. within ten (10) days following the Date of Termination a lump-sum cash amount equal to the sum of (A) Executive's base salary through the Date of Termination and any bonus amounts which have become payable, to the extent not theretofore paid or deferred, (B) a pro rata portion of Executive's annual bonus for the fiscal year in which Executive's Date of Termination occurs in an amount at least equal to (1) Executive's Bonus Amount, multiplied by (2) a fraction, the numerator of which is the number of days in the fiscal year in which the Date of Termination occurs through the Date of Termination and the denominator of which is three hundred sixty-five (365), and reduced by (3) any amounts paid from the Company's annual incentive plan for the fiscal year in which Executive's Date of Termination occurs, and (C), any compensation previously deferred by Executive other than pursuant to a tax -qualified plan (together with any interest and earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid; plus

ii. within ten (10) days following the Date of Termination, a lump-sum amount (payable in cash or stock, at the Company's sole discretion, rounded up to the next highest dollar or whole share, as the case may be) equal to two (2) times Executive's Bonus Amount, plus the value of any Company-provided benefits under the Company's 401(k) Plan which Executive would have accrued in the two (2) years following the Date of Termination had he remained employed by the Company during such period, calculated assuming that both the Executive and the Company contributed the highest permissible amounts to the plans during such period.

iii. Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's Date of Termination, the Executive is considered a "Specified Employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, and if any payment that the Executive becomes entitled to under this Agreement is considered deferred compensation subject to interest and additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, then (A) no such payment shall be payable prior to the date that is the earlier of (i) six months after the Executive's separation from service, or (ii) the Employee's death and (B) the Company agrees to place such payment in escrow with a third party escrow agent pending the release date set forth in the preceding clause (A). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

u. Qualifying Termination – Benefits. If during the Termination Period the employment of Executive shall terminate pursuant to a Qualifying Termination, the Company shall pay to the Executive for Executive (and Executive's dependents, if applicable) a dollar amount (the "Benefit Payment") in lieu of enrollment in the medical dental, accident, disability, and life insurance benefits. The Company shall calculate the Benefit Payment by multiplying twenty-four (24) times the total monthly premium for individual policies (as mutually agreed upon) that provide benefit at a level that is substantially similar to the benefit levels in which the Executive was enrolled immediately preceding the Qualifying Termination. Such Benefit Payment shall be paid in a lump-sum to the Executive within forty-five (45) days of the Executive's termination. In addition, the Company will gross up the Benefit Payment at the highest marginal tax rate to account for taxes paid on such Benefit Payment. Nothing in the

Section shall be interpreted to affect the Executive's rights to continuation benefits under COBRA.

v. Nonqualifying Termination. If during the Termination Period the employment of Executive shall terminate other than by reason of a Qualifying Termination, then the Company shall pay to Executive within thirty (30) days following the Date of Termination, a lump-sum cash amount equal to the sum of (1) Executive's base salary through the Date of Termination and any bonus amounts which have become payable, to the extent not theretofore paid or deferred, and (2) any compensation previously deferred by Executive other than pursuant to a tax-qualified plan (together with any interest and earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid. The Company may make such additional payments, and provide such additional benefits, to Executive as the Company and Executive may agree in writing.

w. Stock Options. In the event of a Change in Control, all options to purchase Company stock held by Executive ("Options") which are not fully vested and exercisable shall become fully vested and exercisable as of a time established by the Board, which shall be no later than a time preceding the Change in Control which allows Executive to exercise the Options and cause the stock acquired thereby to participate in the Change in Control transaction. If the Change in Control transaction is structured such that stock participating therein at one time is or may be treated differently than stock participating therein at a different time (e.g. a tender offer followed by a squeeze-out merger, with differing forms or amounts of consideration), the Board shall interpret this paragraph (d) to provide for the required vesting acceleration in a manner designed to allow Executive to exercise the Options and cause the stock acquired thereby to participate in the earliest portion of the Change in Control transaction. If the consummation of a pending or threatened Change in Control transaction is uncertain (e.g. a tender offer in which the tender of a minimum number of shares is a condition to closing, or a voted merger or proxy contest in which a minimum number of votes is a condition to closing), the Board shall apply this paragraph (d) by using its best efforts to determine if and when the Change in Control transaction is likely to occur, and proceeding accordingly. To the extent necessary to implement this Section 4(d), each stock option agreement reflecting the Options, and each stock option plan relating to each such stock option agreement, if any, shall be deemed amended.

x. Certain Additional Payments by the Company.

i. Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment, award, benefit or distribution (or any acceleration of any payment, award, benefit or distribution) by the Company (or any of its affiliated entities) or any entity which effectuates a Change in Control (or any of its affiliated entities) to or for the benefit of Executive (whether pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 4(e) (the "Payments")) would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Company shall pay to Executive an additional payment (a "Gross-Up Payment") in an amount such that after payment by Executive of all taxes (including any Excise Tax) imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the sum of (x) the Excise Tax imposed upon the Payments and (y) the product of any deductions disallowed because of the inclusion of the Gross-Up Payment in Executive's adjusted gross income and the highest applicable marginal rate of federal income taxation for the calendar year in which the Gross-Up Payment is to be made. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to (i) pay federal income taxes at the highest marginal rates of federal income taxation for the calendar year in which the Gross-Up Payment is to be made, (ii) pay

applicable state and local income taxes at the highest marginal rate of taxation for the calendar year in which the Gross-Up Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes and (iii) have otherwise allowable deductions for federal income tax purposes at least equal to those which could be disallowed because of the inclusion of the Gross-Up Payment in the Executive's adjusted gross income.

ii. Subject to the provisions of Section 4(e)(i), all determinations required to be made under this Section, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determinations, shall be made by the public accounting firm that is retained by the Company as of the date immediately prior to the Change in Control (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the receipt of notice from the Company or the Executive that there has been a Payment, or such earlier time as is requested by the Company (collectively, the "Determination"). In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, Executive may appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company and the Company shall enter into any agreement requested by the Accounting Firm in connection with the performance of the services hereunder. The Gross-Up Payment under this Section 4 with respect to any Payments shall be made no later than thirty (30) days following such Payment. If the Accounting Firm determines that no Excise Tax is payable by Executive, it shall furnish Executive with a written opinion to such effect, and to the effect that failure to report the Excise Tax, if any, on Executive's applicable federal income tax return will not result in the imposition of a negligence or similar penalty. The Determination by the Accounting Firm shall be binding upon the Company and Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the Determination, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment") or Gross-Up Payments are made by the Company which should not have been made ("Overpayment"), consistent with the calculations required to be made hereunder. In the event that the Executive thereafter is required to make payment of any Excise Tax or additional Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code) shall be promptly paid by the Company to or for the benefit of Executive. In the event the amount of the Gross-Up Payment exceeds the amount necessary to reimburse the Executive for his Excise Tax, the Accounting Firm shall determine the amount of the Overpayment that has been made and any such Overpayment (together with interest at the rate provided in Section 1274(b)(2) of the Code) shall be promptly paid by Executive (to the extent he has received a refund if the applicable Excise Tax has been paid to the Internal Revenue Service) to or for the benefit of the Company. Executive shall cooperate, to the extent his expenses are reimbursed by the Company, with any reasonable requests by the Company in connection with any contests or disputes with the Internal Revenue Service in connection with the Excise Tax.

y. Withholding Taxes. The Company may withhold from all payments due to Executive (or his beneficiary or estate) hereunder all taxes which, by applicable federal, state, local or other law, the Company is required to withhold therefrom.

z. Reimbursement of Expenses. If any contest or dispute shall arise under this Agreement involving termination of Executive's employment with the Company or involving the failure or refusal of the Company to perform fully in accordance with the terms hereof, the Company shall reimburse Executive, on a current basis, for all reasonable legal fees and expenses, if any, incurred by Executive in connection with such contest or dispute (regardless of

the result thereof), together with interest in an amount equal to the Chase Manhattan Bank prime rate from time to time in effect, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date the Company receives Executive's statement for such fees and expenses through the date of payment thereof, regardless of whether or not Executive's claim is upheld by a court of competent jurisdiction: provided, however, Executive shall be required to repay any such amounts to the Company to the extent that a court issues a final order from which no appeal can be taken, or with respect to which the time period to appeal has expired, setting forth the determination that the position taken by Executive was frivolous or advanced by Executive in bad faith.

aa. Scope of Agreement. Nothing in this Agreement shall be deemed to entitle Executive to continued employment with the Company or its Subsidiaries, and if Executive's employment with the Company shall terminate prior to a Change in Control, Executive shall have no further rights under this Agreement (except as otherwise provided hereunder); provided, however, that any termination of Executive's employment during the Termination Period shall be subject to all of the provisions of this Agreement.

5. Successors; Binding Agreement.

ab. This Agreement shall not be terminated by any Business Combination. In the event of any Business Combination, the provisions of this Agreement shall be binding upon the Surviving Corporation, and such Surviving Corporation shall be treated as the Company hereunder.

ac. The Company agrees that in connection with any Business Combination, it will cause any successor entity to the Company unconditionally to assume (and for any Parent Corporation in such Business Combination to guarantee), by written instrument delivered to Executive (or his beneficiary or estate), all of the obligations of the Company hereunder. Failure of the Company to obtain such assumption and guarantee prior to the effectiveness of any such Business Combination that constitutes a Change in Control, shall be a breach of this Agreement and shall constitute Good Reason hereunder and shall entitle Executive to compensation and other benefits from the Company in the same amount and on the same terms as Executive would be entitled hereunder if Executive's employment were terminated following a Change in Control by reason of a Qualifying Termination. For purposes of implementing the foregoing, the date on which any such Business Combination becomes effective shall be deemed the date Good Reason occurs, and shall be the Date of Termination if requested by Executive.

ad. This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive shall die while any amounts would be payable to Executive hereunder had Executive continued to live, all such amounts, unless otherwise provided herein: shall be paid in accordance with the terms of this Agreement to such person or persons appointed in writing by Executive to receive such amounts or, if no person is so appointed, to Executive's estate.

6. Notice. For purposes of this Agreement, all notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered or five (5) days after deposit in the United States mail, certified and return receipt requested, postage prepaid, addressed as follows:

If to the Executive to the most recent address of such Executive on the books and records of the Company; and

If to the Company: PFSweb, Inc., Attention: Secretary, 500 North Central Expressway, Plano, TX 75074;

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

ae. A written notice of Executive's Date of Termination by the Company or Executive, as the case may be, to the other, shall (i) indicate the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated and (iii) specify the termination date (which date shall be not less than fifteen (15) (thirty (30), if termination is by the Company for Disability) nor more than sixty (60) days after the giving of such notice). The failure by Executive or the Company to set forth in such notice any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of Executive or the Company hereunder or preclude Executive or the Company from asserting such fact or circumstance in enforcing Executive's or the Company's rights hereunder.

7. Full Settlement; Resolution of Disputes. The Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall be in lieu and in full settlement of all other severance payments to Executive under any other severance or employment agreement between Executive and the Company, and any severance plan of the Company. The Company's obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether Executive obtains other employment.

8. Employment with Subsidiaries. Employment with the Company for purposes of this Agreement shall include employment with any Subsidiary.

9. Survival. The respective obligations and benefits afforded to the Company and Executive as provided in Sections 4 (to the extent that payments or benefits are owed as a result of a termination of employment that occurs during the term of this Agreement), 5 (to the extent that Payments are made to Executive as a result of a Change in Control that occurs during the term of this Agreement), 6, 7, 9, 11 and 12 shall survive the termination of this Agreement.

10. GOVERNING LAW; VALIDITY. THE INTERPRETATION, CONSTRUCTION AND PERFORMANCE OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF, OF SUCH PRINCIPLES OF ANY OTHER JURISDICTION WHICH COULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE. THE INVALIDITY OR UNENFORCEABILITY OF ANY PROVISION OF THIS AGREEMENT SHALL NOT AFFECT THE VALIDITY OR ENFORCEABILITY OF ANY OTHER PROVISION OF THIS AGREEMENT, WHICH OTHER PROVISIONS SHALL REMAIN IN FULL FORCE AND EFFECT.

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

12. Restrictive Covenant. Without limitation of any other agreement of the Executive, and to protect the valid business interests of the Company, and in consideration of the Executive's continued employment with the Company, the Executive covenants and agrees as follows:

af. Restrictive Covenants. During the Restricted Period,

i. Executive will not, whether directly or indirectly, and whether on his own behalf or as an employee, officer, director, consultant, advisor, agent, representative, shareholder, partner, independent contractor or in any capacity on behalf of any sole proprietorship, corporation, partnership, joint venture, person or other entity, engage in any Competitive Activity within the Territory, or have any direct or indirect ownership interest in any person or entity that engages in a Competitive Activity within the Territory, provided that the foregoing shall not prevent the beneficial ownership for investment purposes only of 5% or less of any class of equity securities of any public company listed on a national exchange;

ii. Executive will not, whether directly or indirectly, and whether on his own behalf or as an employee, officer, director, consultant, advisor, agent, representative, shareholder, partner, independent contractor or in any capacity on behalf of any sole proprietorship, corporation, partnership, joint venture, person or other entity which in any way competes with the Company or its business, solicit or attempt to solicit any client or customer of the Company or any person or entity which at any time during the six months prior to the termination of Executive's employment was then a prospective client or customer of the Company;

iii. Executive will not attempt in any manner to persuade any of the clients or customers of the Company to cease doing business or reduce the amount of business which any of such customers has done or may contemplate doing with the Company; and

iv. Executive will not, whether directly or indirectly, and whether on his own behalf or as an employee, officer, director, consultant, advisor, agent, representative, shareholder, partner, independent contractor or in any capacity on behalf of any sole proprietorship, corporation, partnership, joint venture, person or other entity, employ any person who at any time during the Restricted Period is or was an employee of the Company.

ag. Acknowledgment by Executive. The Executive acknowledges that his position with the Company requires the performance of services which are, and will be, special, unique and extraordinary and such position places him, and will place him, in a position of confidence and trust with the customers of the Company, and confirms that the restrictive covenants contained in this Section 12 (including, without limitation, the size of the Territory and the length of the Restricted Period) are reasonably necessary to protect the legitimate business interests of the Company and its Subsidiaries, and are not overbroad, overlong, or unfair and are not the result of overreaching, duress or coercion of any kind. The Executive further acknowledges and confirms that the Executive's continued employment with the Company and the Company's effort to mitigate the adverse tax consequences for the Executive under Internal Revenue Code Section 280G in the event of a Change in Control under this Agreement is in consideration for the duties and obligations of the Executive hereunder, including the restrictive covenants contained in this Section 12, and that such consideration is sufficient, fair, and reasonable. The Executive further acknowledges and confirms that the Executive's full, uninhibited, and faithful observance of each of the covenants contained in this Section 12 will not cause Executive any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained herein will not impair the Executive's ability to obtain employment commensurate with the Executive's abilities and on terms fully acceptable to Executive or otherwise to obtain necessary income. The Executive acknowledges and confirms that the

Executive's special knowledge of the business of the Company and its Subsidiaries is such as would cause the Company and its Subsidiaries serious injury or loss if Executive were to use such knowledge to the benefit of a competitor or were to compete with the Company or its Subsidiaries in violation of the terms of this Section 12. The Executive further acknowledges that the covenants contained in this Section 12 are intended to be, and shall be, for the benefit of and shall be enforceable by, the Company's successors and assigns.

ah. Reformation by Court. In the event that a court of competent jurisdiction shall determine that any provision of this Section 12 is invalid or more restrictive than permitted under the governing law of such jurisdiction, then only as to enforcement of this Section 12 within the jurisdiction of such court, such provision shall be interpreted or reformed and enforced as if it provided for the maximum restriction permitted under such governing law.

ai. Extension of Time. If the Executive shall be in violation of any provision of this Section 12, then the covenants set forth in this Section 12 shall be extended for a period of time equal to the violation.

aj. Injunction. Both the Executive and the Company recognize and hereby acknowledge that a breach by the Executive of any of the covenants contained in Section 12 of this Agreement will cause irreparable harm and damage to the Company, and its Subsidiaries, the monetary amount of which may be virtually impossible to ascertain. As a result, and notwithstanding anything in this Agreement to the contrary including, the Executive recognizes and hereby acknowledges that the Company and its Subsidiaries shall be entitled to temporary, preliminary, and/or permanent injunctive relief without the necessity of posting a bond, from any court of competent jurisdiction enjoining and restraining any violation of any or all of the covenants contained in Section 12 of this Agreement by the Executive or any of the Executive's affiliates, associates, partners, or agents, either directly or indirectly, and that such right to injunction shall be cumulative and in addition to whatever other remedies the Company may pursue at law or in equity. The existence of any claim or cause of action against the Company or its Subsidiaries, whether predicated upon this Agreement or otherwise, shall not constitute a defense to the enforcement of the covenants contained in this Section 12.

ak. Defend Trade Secrets Act of 2016. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall prevent the Executive from sharing information and communicating in good faith, without prior notice to the Company, with the Executive's attorney or federal, state or local government agency having jurisdiction over the Company or its operations in a manner consistent with the Defend Trade Secrets Act of 2016. The Executive is also hereby notified, in accordance with the Defend Trade Secrets Act of 2016, that the Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The Executive represents and warrants the Executive has been notified by this Agreement that if the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Executive's attorney and use the trade secret information in the court proceeding if the Executive and, if represented, Executive's counsel: (x) files any document containing the trade secret under seal, does not challenge the confidentiality of any document filed under seal, and does not oppose any request to maintain the confidentiality of any document filed under seal following the conclusion of the litigation or otherwise; and (y) does not disclose the trade secret, other than to Executive's counsel, except pursuant to court order.

13. Miscellaneous. No provision of this Agreement may be modified or waived unless such modification or waiver is agreed to in writing and signed by Executive and by a duly authorized officer of the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. Failure by Executive or the Company to insist upon strict compliance with any provision of this Agreement or to assert any right Executive or the Company may have hereunder, including, without limitation, the right of Executive to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement. Except as otherwise specifically provided herein, the rights of, and benefits payable to, Executive, his estate or his beneficiaries pursuant to this Agreement are in addition to any rights of, or benefits payable to, Executive, his estate or his beneficiaries under any other employee benefit plan or compensation program of the Company.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized officer of the Company and Executive has executed this Agreement as of the day and year first above written.

PFSweb, Inc.

By: /s/ Thomas Madden_____

Name: Thomas Madden

Title: Chief Financial Officer

Board of Directors of
PFSweb, Inc.

By: /s/ G Mercedes De Luca__

Name: G Mercedes De Luca

Title: Board Member

EXECUTIVE:

/s/ Michael Willoughby

PFSweb Reports Strong Third Quarter 2022 Results, Announces Special Dividend and Provides Update on Strategic Review Process

Record Q3 2022 and Year-to-Date PFS Sales Bookings Highlight Strong Momentum Ahead of Holiday Peak Season

Company Announces a \$4.50 Per Share Special Dividend to Return Significant Capital to Shareholders from the LiveArea Divestiture

Substantial Completion of Corporate Restructuring Plan Expected by Year-End 2022, Resulting in Significant Expected Cost Savings for Fiscal Year 2023

Mike Willoughby to Become Executive Director of the Board to Focus on Completion of Strategic Alternatives Process and Transition of CEO Role to Zach Thomann in 2023

IRVING, Texas – November 9, 2022 – PFSweb, Inc. (NASDAQ: PFSW) (the “Company”), a global commerce services company, today reported results for the third quarter ended September 30, 2022. The Company also provided an update on its strategic review and corporate restructuring processes, including the approval of a special cash dividend of \$4.50 per share.

Q3 2022 Summary vs. Q3 2021

Results and comparisons reflect the classification of LiveArea as a discontinued operation; all comparisons are to the comparable period in 2021.

- Total revenues increased 7% to \$65.5 million.
- PFS Operations service fee equivalent (SFE) revenue (a non-GAAP measure defined and reconciled below) increased 4% to \$43.7 million.
- PFS Operations service fee gross margin, excluding certain LiveArea-related activity, was 23% compared to 24%.
- Net loss from continuing operations was \$6.1 million or \$(0.27) per share, compared to net loss from continuing operations of \$6.8 million or \$(0.32) per share.
- Consolidated adjusted EBITDA from continuing operations (a non-GAAP measure defined and reconciled below) improved significantly to \$0.2 million compared to \$(1.3) million.
- PFS Operations adjusted EBITDA from continuing operations (a non-GAAP measure defined and reconciled below) increased 30% to \$4.9 million compared to \$3.8 million.

“During the third quarter, we continued to benefit from robust fulfillment demand across our growing client base,” said Mike Willoughby, CEO of PFSweb. “We have maintained our PFS Operations service fee equivalent revenue momentum, driving over 8% growth year-to-date compared to the same period last year. We also saw sequential improvements in our third quarter service fee gross margin, reflecting increased productivity and the benefits of client contract pricing adjustments that went into effect this year.

“To further support our growth as a standalone order fulfillment platform, we have continued to optimize our cost structure to align more closely with our current operations and generate greater savings into 2023. As we move into the peak holiday season and prepare for the year ahead, we are building an even stronger foundation to facilitate additional client growth and maximize shareholder value.”

Recent Operational Highlights

- Recorded nine bookings in Q3 worth an estimated \$19 million in annual contract value (ACV). Q3 2022 marks PFS' strongest sales bookings quarter since the Company began reporting this metric separately for its business units in 2018.
- Year-to-date through the third quarter of 2022, PFS has recorded 26 bookings worth an estimated \$37 million in combined ACV, eclipsing the full year all-time PFS record.
- Fully exited the Allen, Texas headquarters building in October 2022 as the Company continues to implement its Work Anywhere hybrid workplace featuring office spaces co-located with all production facilities and continued full support for remote work. The Company anticipates significant cost savings and benefits to company culture with the Work Anywhere initiative.
- Opened new fulfillment center in North Las Vegas, the Company's second fulfillment center in the region.
- Entered a new lease agreement for a second fulfillment center in the Dallas area. The facility is expected to open in the first half of 2023 and is expected to continue to improve productivity, reduce costs and provide co-located office space for corporate personnel.

Zach Thomann, COO of PFSweb, commented: "Across our core verticals of health and beauty, fashion and apparel, jewelry and collectibles, and consumer packaged goods, the premier and luxury brands we serve have generally remained resilient despite the macroeconomic headwinds that have impacted major big-box and eCommerce retailers. This resilience is evidenced by the fact that we have already achieved a record bookings year, with the fourth quarter remaining. We are focused on the future as we work to convert client prospects in our substantial pipeline to launches in early 2023 and expect continued demand for our brand-centric, multi-node fulfillment service offering."

2022 Outlook

Based on continued strong consumer and fulfillment service demand across its core verticals, PFSweb is maintaining its previously stated 2022 financial targets, which includes 2022 PFS Operations annual SFE annual revenue growth in the range of 5% to 10%. The Company remains optimistic that it can achieve SFE revenue growth at the upper end of this targeted range. The Company is maintaining its previously stated target for its annual estimated PFS pro forma standalone adjusted EBITDA percentage of service fee revenue to be within the range of 8% to 10%.

Strategic Review Process Update and Special Dividend

PFSweb continues to work with its financial advisor, Raymond James, on a review of a full range of strategic alternatives for its PFS business.

Willoughby continued: "While the completion of our strategic evaluation has been slowed by a combination of macroeconomic headwinds and the need to complete our internal restructuring, we have made great strides to streamline our organization through right-sizing corporate SG&A and addressing the excess cash on our balance sheet from the LiveArea transaction. We believe these initiatives, along with our expectation of continued strong growth in service fee revenue and profitability, will allow us to continue our strategic alternatives process in 2023 on a much stronger footing. We remain focused on maximizing value for our shareholders."

The Company does not intend to comment further regarding the process unless there are material developments to discuss.

The Company's board has approved a \$4.50 per share special dividend, returning approximately \$111 million of capital from the LiveArea divestiture to shareholders. The dividend is payable on December 15, 2022, to shareholders of record as of December 1, 2022.

Willoughby concluded: "Given the substantial excess cash generated from the LiveArea divestiture, we believe a special dividend is the optimal pathway to return capital to our shareholders. In fact, we believe

we can best position our strategic review process for success by returning excess cash and maintaining more traditional levels of operating liquidity.”

Executive Transition Update

The Company also announced today that Michael Willoughby will take on the role of Executive Director of the Board of Directors, in addition to his CEO role. In this position, he will primarily focus on the strategic alternatives process while transitioning management responsibilities to COO Zach Thomann. Thomann is expected to take on the CEO role in 2023.

Monica Luechtefeld, Chair of PFSweb’s Board of Directors, stated: “The board is focused on expeditiously and efficiently driving shareholder value. The special dividend we announced today advances this goal as we continue to explore ways to return capital to shareholders. To that end, we have tasked Mike with devoting most of his time and energy to driving the strategic alternatives process to completion and the transition of the CEO position to Zach Thomann in 2023. We appreciate Mike’s willingness to work proactively with the board to restructure his compensation program to provide significant cost benefits to the Company in 2023, as well as his enthusiasm for conducting a smooth and orderly CEO transition next year. We are also grateful to Zach for taking on increased responsibilities within his role as COO as he completes his preparation to become CEO, and we have the utmost confidence in his ability to lead PFS moving forward.”

Corporate Restructuring Process Update

The Company has continued to progress on its comprehensive corporate restructuring initiatives, with the goal of aligning its cost structure more closely with its current size and focus as a result of the LiveArea divestiture, while driving greater cost savings in fiscal year 2023. Since August 2021, several key milestones have already been completed, and the Company is targeting substantial completion of its corporate restructuring plan by year-end 2022.

Recent updates and initiatives include:

- a. Completion of the Company’s obligations under a Transition Services Agreement (TSA) with Merkle following the LiveArea transaction. The completion of the TSA resulted in personnel reductions throughout the first three quarters of 2022 and a reduction of ongoing SG&A expenses.
- b. Successful negotiation of the early termination of the Company’s Allen, TX corporate headquarters, resulting in an incremental restructuring cost of \$1.6 million recorded in Q3 2022 and a reduction of almost \$2 million in related annualized SG&A expenses beginning in November 2022.
- c. Restructuring of the executive leadership team and the current CEO compensation program to better reflect the expected normalized leadership cost of PFS’ continuing operations on a pro forma standalone adjusted EBITDA basis.
- d. The completion of additional cost center initiatives, including reductions in certain ongoing professional services costs, and other cost reductions based on the Company’s current business model. Additionally, this cost optimization process includes ongoing efforts into early 2023 to optimize the structure and operation of the Company’s accounting and finance functions, including conversion of certain contract positions to full-time positions and the further integration of offshore resources at the Company’s Bangalore operation.

Taken together, since August 2021, the above initiatives are estimated to have resulted in total ongoing annual cost savings of approximately \$9 million.

Board of Directors Update

The Company also announced today that Shinichi Nagakura will be stepping down as a member of the board, effective immediately, to focus on his role at transcocosmos, Inc. Mr. Nagakura's departure is not the result of any disagreement with the board. With his departure, the size of the board will be reduced to six directors.

Luechtefeld concluded: "On behalf of the entire board, I would like to thank Shinichi for his many years of valuable service and wish him the best in his future endeavors."

Conference Call

PFSweb will conduct a conference call today, November 9, at 5:00 p.m. Eastern time to discuss its results for the third quarter ended September 30, 2022 and additional corporate updates.

PFSweb management will host the conference call, followed by a question-and-answer period.

Date: Wednesday, November 9, 2022

Time: 5:00 p.m. Eastern time (2:00 p.m. Pacific time)

Registration Link: <https://register.vevent.com/register/B1c53322fd4c14198b9c141013da43c78e>

Please call the conference telephone number 5-10 minutes prior to the start time. If you have any difficulty connecting with the conference call, please contact Gateway Group at 1-949-574-3860.

The conference call will be broadcast live and available for replay [here](#) and via the investor relations section of the company's website at www.ir.pfsweb.com.

About PFSweb, Inc.

PFS, the business unit of PFSweb, Inc. (NASDAQ: PFSW) is a premier eCommerce order fulfillment provider. We facilitate each operational step of an eCommerce order in support of DTC and B2B retail brands and specialize in health & beauty, fashion & apparel, jewelry, and consumer packaged goods. Our scalable solutions support customized pick/pack/ship services that deliver on brand ethos with each order. A proven order management platform, as well as high-touch customer care, reinforce our operation. With 20+ years as an industry leader, PFS is the BPO of choice for brand-centric companies and household brand names, such as L'Oréal USA, Champion, Pandora, Shiseido Americas, Kendra Scott, the United States Mint, and many more. The Company is headquartered in Irving, TX with additional locations around the globe. For more information, visit www.pfscommerce.com or www.ir.pfsweb.com for investor information.

Forward-Looking Information

This press release contains forward-looking information under the Private Securities Litigation Reform Act of 1995 and is subject to and involves risks and uncertainties, which could cause actual results to differ materially from the forward-looking information. You can identify these forward-looking statements by words such as "may," "will," "would," "should," "could," "expect," "anticipate," "believe," "intend," "plan," "potential," "project," "seek," "strive," "predict," "continue," "target," "estimate", and other similar expressions. These forward-looking statements involve risks and uncertainties and may include assumptions as to how we may perform in the future, the impact of the COVID-19 pandemic on our business and results of operations, and global economic conditions. Although we believe the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee these expectations will actually be achieved. The Company's Annual Report on Form 10-K for the year ended December 31, 2021, and our quarterly reports on Form 10-Q identify certain factors that could cause actual results to differ materially from those projected in any forward-looking statements made and investors are advised to review the periodic reports of the Company and the Risk Factors described therein.

The Company undertakes no obligation to update publicly any forward-looking statement for any reason, even if new information becomes available or other events occur in the future. There may be additional risks that we do not currently view as material or that are not presently known.

Financial Statement Presentation Matters

The LiveArea segment has been presented as a discontinued operation for all periods presented in this news release.

Non-GAAP Financial Measures

This news release contains certain non-GAAP measures, including non-GAAP net income (loss) from continuing operations, earnings before interest, income taxes, depreciation and amortization (EBITDA) from continuing operations, adjusted EBITDA from continuing operations and service fee equivalent revenue.

Non-GAAP net income (loss) from continuing operations represents net income (loss) from continuing operations calculated in accordance with U.S. GAAP as adjusted for the impact of non-cash stock-based compensation expense, restructuring and other costs.

EBITDA from continuing operations represents earnings (or losses) before interest, income taxes, depreciation, and amortization. Adjusted EBITDA from continuing operations further eliminates the effect of stock-based compensation, as well as restructuring and other costs.

Non-GAAP net income (loss) from continuing operations, EBITDA from continuing operations, adjusted EBITDA from continuing operations and service fee equivalent revenue are used by management, analysts, investors and other interested parties in evaluating our operating performance compared to that of other companies in our industry. The calculation of non-GAAP net income (loss) eliminates the effect of stock-based compensation, restructuring and other costs, and EBITDA from continuing operations and adjusted EBITDA from continuing operations further eliminate the effect of financing, remaining income taxes and the accounting effects of capital spending, which items may vary from different companies for reasons unrelated to overall operating performance. Service fee equivalent (SFE) revenue allows client contracts with similar operational support models but different financial models to be combined as if all contracts were being operated on a service fee revenue basis.

The Company has presented non-GAAP financial measures for the PFS Operations business including total Direct contribution, EBITDA, adjusted EBITDA and service fee equivalent (SFE) revenue which include adjustments for certain LiveArea related revenue activity and unallocated corporate costs. Such measures are reconciled below.

The Company believes these non-GAAP measures provide useful information to both management and investors by focusing on certain operational metrics and excluding certain expenses in order to present its core operating performance and results. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. The non-GAAP measures included in this press release have been reconciled to the GAAP results in the attached tables.

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PFSWEB, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share Data)

	Unaudited September 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 140,350	\$ 152,332
Restricted cash	—	214
Accounts receivable, net of allowance for doubtful accounts of \$375 and \$867 at September 30, 2022 and December 31, 2021, respectively	50,705	78,024
Inventories, net of reserves of \$0 and \$57 at September 30, 2022 and December 31, 2021, respectively	—	3,133
Other receivables	7,935	7,005
Prepaid expenses and other current assets	6,254	7,244
Total current assets	205,244	247,952
Property and equipment, net	20,254	19,315
Operating lease right-of-use assets, net	32,098	35,371
Goodwill	20,904	22,218
Other assets	1,669	1,610
Total assets	\$ 280,169	\$ 326,466
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 24,599	\$ 36,450
Accrued expenses	22,295	31,643
Current portion of operating lease liabilities	10,581	10,104
Current portion of finance lease obligations	72	222
Deferred revenue	2,039	4,391
Total current liabilities	59,586	82,810
Finance lease obligations, less current portion	34	89
Deferred revenue, less current portion	852	833
Operating lease liabilities, less current portion	26,864	30,393
Other liabilities	2,676	2,565
Total liabilities	90,012	116,690
Commitments and Contingencies		
Shareholders' equity:		
Preferred stock, \$1.00 par value; 1,000,000 shares authorized; none issued or outstanding	—	—
Common stock, \$0.001 par value; 35,000,000 shares authorized; 22,677,666 and 22,131,546 issued and 22,644,199 and 22,098,079 outstanding at September 30, 2022 and December 31, 2021, respectively	22	21
Additional paid-in capital	178,643	177,511
Retained earnings	15,642	33,522
Accumulated other comprehensive loss	(4,025)	(1,153)
Treasury stock at cost, 33,467 shares	(125)	(125)
Total shareholders' equity	190,157	209,776
Total liabilities and shareholders' equity	\$ 280,169	\$ 326,466

PFSWEB, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Per Share Data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues:				
Service fee revenue	\$ 43,658	\$ 44,275	\$ 134,423	\$ 132,804
Product revenue, net	14	4,096	3,333	12,896
Pass-through revenue	21,813	12,970	58,850	37,444
Total revenues	65,485	61,341	196,606	183,144
Costs of Revenues:				
Cost of service fee revenue	33,785	33,383	105,922	98,776
Cost of product revenue	4	3,895	3,059	12,265
Cost of pass-through revenue	21,813	12,970	58,850	37,444
Total costs of revenues	55,602	50,248	167,831	148,485
Gross profit	9,883	11,093	28,775	34,659
Selling, general and administrative expenses	16,341	16,161	46,846	44,768
Loss from operations	(6,458)	(5,068)	(18,071)	(10,109)
Interest (income) expense, net	(554)	165	(699)	873
Loss on extinguishment of debt	—	426	—	426
Loss from continuing operations before income taxes	(5,904)	(5,659)	(17,372)	(11,408)
Income tax expense, net	186	1,152	688	1,276
Net loss from continuing operations	(6,090)	(6,811)	(18,060)	(12,684)
Income from discontinued operations before income taxes	—	197,920	180	196,508
Income tax expense, net	—	33,758	—	36,315
Income from discontinued operations	—	164,162	180	160,193
Net income (loss)	\$ (6,090)	\$ 157,351	\$ (17,880)	\$ 147,509
Basic earnings (loss) per share				
Income (loss) from continuing operations per share	\$ (0.27)	\$ (0.32)	\$ (0.80)	\$ (0.60)
Income from discontinued operations per share	—	7.71	0.01	7.57
Basic earnings (loss) per share	\$ (0.27)	\$ 7.39	\$ (0.79)	\$ 6.97
Diluted earnings (loss) per share				
Income (loss) from continuing operations per share	\$ (0.27)	\$ (0.32)	\$ (0.80)	\$ (0.60)
Income from discontinued operations per share	—	7.71	0.01	7.57
Diluted earnings (loss) per share	\$ (0.27)	\$ 7.39	\$ (0.79)	\$ 6.97
Weighted average number of shares outstanding:				
Basic	22,644	21,282	22,580	21,164
Diluted	22,644	21,282	22,580	21,164
EBITDA from continuing operations	\$ (4,585)	\$ (3,173)	\$ (12,521)	\$ (4,357)
Adjusted EBITDA from continuing operations	\$ 185	\$ (1,307)	\$ (547)	\$ (2,039)

PFSWEB, INC. AND SUBSIDIARIES

Unaudited Reconciliation of Certain Non-GAAP Items to GAAP
(In Thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net loss from continuing operations	\$ (6,090)	\$ (6,811)	\$ (18,060)	\$ (12,684)
Income tax expense, net	186	1,152	688	1,276
Loss on extinguishment of debt	—	426	—	426
Interest expense, net	(554)	165	(699)	873
Depreciation and amortization	1,873	1,895	5,550	5,752
EBITDA from continuing operations	(4,585)	(3,173)	(12,521)	(4,357)
Gross margin on LiveArea activity ⁽¹⁾	—	(1,023)	—	(3,615)
Stock-based compensation	1,629	1,405	2,945	3,803
Restructuring and other costs	3,141	1,484	9,029	2,130
Adjusted EBITDA from continuing operations	\$ 185	\$ (1,307)	\$ (547)	\$ (2,039)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net loss from continuing operations	\$ (6,090)	\$ (6,811)	\$ (18,060)	\$ (12,684)
Stock-based compensation	1,629	1,405	2,945	3,803
Restructuring and other costs	3,141	1,484	9,029	2,130
Non-GAAP net loss from continuing operations	\$ (1,320)	\$ (3,922)	\$ (6,086)	\$ (6,751)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Total revenues from continuing operations	\$ 65,485	\$ 61,341	\$ 196,606	\$ 183,144
Pass-through revenue	(21,813)	(12,970)	(58,850)	(37,444)
Cost of product revenue	(4)	(3,895)	(3,059)	(12,265)
Service fee revenue related to LiveArea activity ⁽¹⁾	—	(2,441)	—	(8,813)
Service fee equivalent revenues from continuing operations	\$ 43,668	\$ 42,035	\$ 134,697	\$ 124,622

⁽¹⁾ In completing the discontinued operations presentation, certain LiveArea revenues, costs of revenues and gross profit related to client contracts that were not fully transferred to contracts directly operating under the LiveArea operating entities as of the August 2021 transaction date were maintained by PFSweb as part of the continuing operations presentation. As of the LiveArea transaction date, future activities of certain contracts where we have subcontracted services to LiveArea are expected to be recorded as pass-through revenue and pass-through costs, for as long as such contracts continue to be maintained directly through PFSweb.

PFSWEB, INC. AND SUBSIDIARIES
UNAUDITED NON-GAAP OPERATING INFORMATION
(In Thousands)

The following table represents the financial information for PFS Operations for the three and nine months ended September 30, 2022 and 2021 excluding certain unallocated corporate costs and certain non-continuing revenues and expenses.

<i>PFS Operations (Non-GAAP)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues:				
Service fee revenue	\$ 43,658	\$ 44,275	\$ 134,423	\$ 132,804
Product revenue, net	14	4,096	3,333	12,896
Pass-through revenue	21,813	12,970	58,850	37,444
Service fee revenue related to LiveArea activity ⁽¹⁾	—	(2,441)	—	(8,813)
Total revenues	65,485	58,900	196,606	174,331
Costs of Revenues:				
Cost of service fee revenue	33,785	33,383	105,922	98,776
Cost of product revenue	4	3,895	3,059	12,265
Cost of pass-through revenue	21,813	12,970	58,850	37,444
Cost of service fee revenue related to LiveArea activity ⁽¹⁾	—	(1,418)	—	(5,198)
Total costs of revenues	55,602	48,830	167,831	143,287
Gross profit	9,883	10,070	28,775	31,044
Direct operating expenses ⁽²⁾	7,607	8,535	22,173	24,844
Direct contribution	2,276	1,535	6,602	6,200
Depreciation and amortization ⁽³⁾	1,673	1,709	5,329	5,316
Stock-based compensation ⁽⁴⁾	711	438	1,068	1,192
Restructuring and other costs ⁽⁵⁾	248	81	846	727
Adjusted EBITDA	\$ 4,908	\$ 3,763	\$ 13,844	\$ 13,435
Total Revenues				
	\$ 65,485	\$ 58,900	\$ 196,606	\$ 174,331
Pass-through revenue	(21,813)	(12,970)	(58,850)	(37,444)
Cost of product revenue	(4)	(3,895)	(3,059)	(12,265)
Service fee equivalent revenue	\$ 43,668	\$ 42,035	\$ 134,697	\$ 124,622

⁽¹⁾ In completing the discontinued operations presentation, certain LiveArea revenues, costs of revenues and gross profit related to client contracts that were not fully transferred to contracts directly operating under the LiveArea operating entities as of the August 2021 transaction date were maintained by PFSweb as part of the continuing operations presentation. As of the LiveArea transaction date, future activities of certain contracts where we have subcontracted services to LiveArea are expected to be recorded as pass-through revenue and pass-through costs, for as long as such contracts continue to be maintained directly through PFSweb.

⁽²⁾ Direct operating expenses for PFS Operations exclude unallocated corporate costs included in consolidated selling, general and administrative expense of \$8.7 million and \$7.6 million for the three months ended September 30, 2022 and 2021, respectively, and \$24.7 million and \$19.9 million for the nine months ended September 30, 2022 and 2021, respectively.

⁽³⁾ Depreciation and amortization for PFS Operations exclude depreciation and amortization applicable to unallocated corporate costs included in consolidated selling, general and administrative expense of approximately \$0.2 million and \$0.2 million for the three months ended September 30, 2022 and 2021, respectively, and \$0.2 million and \$0.4 million for the nine months ended September 30, 2022 and 2021, respectively.

⁽⁴⁾ Stock based compensation for PFS Operations exclude stock-based compensation applicable to unallocated corporate costs included in consolidated selling, general and administrative expense of \$0.9 million and \$1.0 million for the three months ended September 30, 2022 and 2021, respectively, and \$1.9 million and \$2.6 million for the nine months ended September 30, 2022 and 2021, respectively.

⁽⁵⁾ Restructuring and other costs for PFS Operations exclude restructuring and other costs applicable to unallocated corporate costs included in consolidated selling, general and administrative expense of \$2.9 million and \$1.4 million for the three months ended September 30, 2022 and 2021, respectively, and \$8.2 million and \$1.4 million for the nine months ended September 30, 2022 and 2021, respectively.