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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2018

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 000-24049

CRA International, Inc.

(Exact name of registrant as specified in its charter)

Massachusetts
(State or other jurisdiction of
incorporation or organization)

04-2372210
(I.R.S. Employer Identification No.)

200 Clarendon Street, Boston, MA
(Address of principal executive offices)

02116-5092
(Zip Code)

(617) 425-3000
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller
reporting company)

Smaller reporting company
Emerging growth company

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class
Common Stock, no par value per share

Outstanding at July 27, 2018
8,079,769 shares



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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

CRA International, Inc.

Condensed Consolidated Income Statements (unaudited)

(In thousands, except per share data)

	Quarter Ended		Fiscal Year-to-Date Period Ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Revenues	\$ 105,538	\$ 93,563	\$ 205,014	\$ 181,734
Costs of services (exclusive of depreciation and amortization)	69,705	65,220	139,096	127,801
Selling, general and administrative expenses	23,739	20,259	45,389	38,975
Depreciation and amortization	2,433	2,236	4,664	4,199
Income from operations	9,661	5,848	15,865	10,759
GNU gain on sale of business assets	—	250	—	250
Interest expense, net	(301)	(133)	(338)	(245)
Other income (expense), net	377	(46)	136	(237)
Income before provision for income taxes and noncontrolling interest	9,737	5,919	15,663	10,527
Provision for income taxes	2,898	2,012	3,938	3,790
Net income	6,839	3,907	11,725	6,737
Net income attributable to noncontrolling interest, net of tax	—	(94)	—	(71)
Net income attributable to CRA International, Inc.	\$ 6,839	\$ 3,813	\$ 11,725	\$ 6,666
Net income per share attributable to CRA International, Inc.:				
Basic	\$ 0.84	\$ 0.45	\$ 1.43	\$ 0.79
Diluted	\$ 0.79	\$ 0.44	\$ 1.35	\$ 0.77
Weighted average number of shares outstanding:				
Basic	8,053	8,428	8,169	8,423
Diluted	8,550	8,618	8,649	8,619
Dividends per share	\$ 0.17	\$ 0.14	\$ 0.17	\$ 0.14

See accompanying notes to the condensed consolidated financial statements.

CRA International, Inc.**Condensed Consolidated Statements of Comprehensive Income (unaudited)***(In thousands)*

	<u>Quarter Ended</u>		<u>Fiscal Year-to-Date Period Ended</u>	
	<u>June 30, 2018</u>	<u>July 1, 2017</u>	<u>June 30, 2018</u>	<u>July 1, 2017</u>
Net income	\$ 6,839	\$ 3,907	\$ 11,725	\$ 6,737
Other comprehensive (loss) income:				
Foreign currency translation adjustments	(2,603)	1,753	(1,285)	2,337
Comprehensive income	4,236	5,660	10,440	9,074
Less: comprehensive income attributable to noncontrolling interest	—	(94)	—	(71)
Comprehensive income attributable to CRA International, Inc.	<u>\$ 4,236</u>	<u>\$ 5,566</u>	<u>\$ 10,440</u>	<u>\$ 9,003</u>

See accompanying notes to the condensed consolidated financial statements.

CRA International, Inc.

Condensed Consolidated Balance Sheets (unaudited)

(In thousands, except share data)

	June 30, 2018	December 30, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,025	\$ 54,035
Accounts receivable, net of allowance of \$5,399 at June 30, 2018 and \$5,252 at December 30, 2017	88,921	79,803
Unbilled services, net of allowance of \$1,273 at June 30, 2018 and \$865 at December 30, 2017	38,241	33,530
Prepaid expenses and other current assets	11,479	11,373
Forgivable loans	5,876	5,540
Total current assets	153,542	184,281
Property and equipment, net	50,780	44,643
Goodwill	88,656	89,000
Intangible assets, net	8,531	9,208
Deferred income taxes	8,481	8,713
Forgivable loans, net of current portion	34,374	23,088
Other assets	2,105	2,824
Total assets	<u>\$ 346,469</u>	<u>\$ 361,757</u>
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$ 22,141	\$ 18,473
Accrued expenses	67,702	94,573
Borrowings on revolving line of credit	20,789	—
Deferred revenue	3,302	6,896
Current portion of deferred compensation	1,282	908
Current portion of deferred rent	1,764	1,131
Total current liabilities	116,980	121,981
Non-current liabilities:		
Deferred compensation and other non-current liabilities	8,771	11,526
Deferred rent and facility-related non-current liabilities	23,785	20,656
Deferred income taxes	375	365
Total non-current liabilities	32,931	32,547
Commitments and contingencies (Note 17)		
Shareholders' equity:		
Preferred stock, no par value; 1,000,000 shares authorized; none issued and outstanding	—	—
Common stock, no par value; 25,000,000 shares authorized; 8,025,726 shares and 8,297,172 shares issued and outstanding at June 30, 2018 and December 30, 2017, respectively	28,864	47,414
Retained earnings	178,554	169,390
Accumulated other comprehensive loss	(11,181)	(9,896)
Total CRA International, Inc. shareholders' equity	196,237	206,908
Noncontrolling interest	321	321
Total shareholders' equity	196,558	207,229
Total liabilities and shareholders' equity	<u>\$ 346,469</u>	<u>\$ 361,757</u>

See accompanying notes to the condensed consolidated financial statements.

CRA International, Inc.

Condensed Consolidated Statements of Cash Flows (unaudited)

(In thousands)

	Fiscal Year-to-Date Period Ended	
	June 30, 2018	July 1, 2017
Operating activities:		
Net income	\$ 11,725	\$ 6,737
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	4,667	4,199
Impairment of intangible assets	—	510
GNU gain on sale of business assets	—	(250)
Deferred rent	3,695	1,202
Deferred income taxes	102	213
Share-based compensation expenses	2,438	3,052
Accounts receivable allowances	842	1,536
Changes in operating assets and liabilities:		
Accounts receivable	(9,868)	(5,260)
Unbilled services	(4,965)	(13,149)
Prepaid expenses and other current assets, and other assets	445	5,380
Forgivable loans	(12,130)	4,612
Incentive cash awards	1,523	609
Accounts payable, accrued expenses, and other liabilities	(31,275)	(17,874)
Net cash used in operating activities	(32,801)	(8,483)
Investing activities:		
Cash consideration paid for acquisitions	—	(16,163)
Purchases of property and equipment	(8,939)	(2,650)
GNU cash proceeds from sale of business assets	—	250
Net cash used in investing activities	(8,939)	(18,563)
Financing activities:		
Issuance of common stock, principally stock option exercises	916	2,699
Borrowings under revolving line of credit	30,161	11,500
Repayments under revolving line of credit	(8,802)	(11,500)
Tax withholding payments reimbursed by restricted shares	(1,783)	(703)
Cash paid on dividend equivalents	(98)	(25)
Cash dividends paid to shareholders	(2,795)	(2,377)
Repurchases of common stock	(20,389)	(12,417)
Net cash used in financing activities	(2,790)	(12,823)
Effect of foreign exchange rates on cash and cash equivalents	(480)	1,007
Net decrease in cash and cash equivalents	(45,010)	(38,862)
Cash and cash equivalents at beginning of period	54,035	53,530
Cash and cash equivalents at end of period	<u>\$ 9,025</u>	<u>\$ 14,668</u>
Noncash investing and financing activities:		
Issuance of common stock for acquired business	\$ —	\$ 3,044
Repurchases of common stock payable	\$ —	\$ 1,046
Purchases of property and equipment not yet paid for	\$ 4,704	\$ 841
Purchases of property and equipment paid by a third party	\$ —	\$ 450
Asset retirement obligations	\$ 220	\$ —
Supplemental cash flow information:		
Cash paid for income taxes	\$ 1,158	\$ 5,229
Cash paid for interest	<u>\$ 273</u>	<u>\$ 170</u>

See accompanying notes to the condensed consolidated financial statements.

CRA International, Inc.

Condensed Consolidated Statement of Shareholders' Equity (unaudited)

(In thousands, except share data)

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss	CRA International, Inc. Shareholders' Equity	Noncontrolling Interest	Total Shareholders' Equity
	Shares Issued	Amount					
BALANCE AT DECEMBER 30, 2017	8,297,172	\$ 47,414	\$ 169,390	\$ (9,896)	\$ 206,908	\$ 321	\$ 207,229
Net income			11,725		11,725		11,725
Foreign currency translation adjustment				(1,285)	(1,285)		(1,285)
Cumulative effect of a change in accounting principle related to ASC 606, net of tax			366		366		366
Exercise of stock options	44,083	916			916		916
Share-based compensation expense		2,438			2,438		2,438
Restricted share vestings	98,235						
Redemption of vested employee restricted shares for tax withholding	(35,287)	(1,783)			(1,783)		(1,783)
Shares repurchased	(378,477)	(20,121)			(20,121)		(20,121)
Accrued dividends on unvested shares			(34)		(34)		(34)
Cash paid on dividend equivalents			(98)		(98)		(98)
Cash dividends paid to shareholders			(2,795)		(2,795)		(2,795)
BALANCE AT JUNE 30, 2018	<u>8,025,726</u>	<u>\$ 28,864</u>	<u>\$ 178,554</u>	<u>\$ (11,181)</u>	<u>\$ 196,237</u>	<u>\$ 321</u>	<u>\$ 196,558</u>

See accompanying notes to the condensed consolidated financial statements.

CRA International, Inc.

Notes to Condensed Consolidated Financial Statements

(Unaudited)

1. Description of Business

CRA International, Inc. ("CRA") is a worldwide leading consulting services firm that applies advanced analytic techniques and in-depth industry knowledge to complex engagements for a broad range of clients. CRA offers services in two broad areas: litigation, regulatory, and financial consulting and management consulting. CRA operates in one business segment. CRA operates its business under its registered trade name, Charles River Associates.

2. Basis of Presentation and Estimates

The accompanying unaudited condensed consolidated financial statements reflect the results of operations, financial position, cash flows, and shareholders' equity as of and for the fiscal quarters and year-to-date periods ended June 30, 2018 and July 1, 2017, respectively. These financial statements have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (SEC) for Quarterly Reports on Form 10-Q. Accordingly, these financial statements do not include all the information and note disclosures required by accounting principles generally accepted in the United States of America (GAAP) for annual financial statements. In the opinion of management, these financial statements reflect all adjustments of a normal, recurring nature necessary for the fair statement of CRA's results of operations, financial position, cash flows, and shareholders' equity for the interim periods presented in conformity with GAAP. Results of operations for the interim periods presented herein are not necessarily indicative of results of operations for a full year. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto for the fiscal year ended December 30, 2017 included in CRA's Annual Report on Form 10-K filed with the SEC on March 12, 2018.

The preparation of financial statements in conformity with GAAP requires management to make significant estimates and judgments that affect the reported amounts of assets and liabilities, as well as the related disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of consolidated revenues and expenses during the reporting period. Estimates in these condensed consolidated financial statements include, but are not limited to, allowances for accounts receivable and unbilled services, revenue recognition on fixed price contracts, depreciation of property and equipment, share-based compensation, valuation of acquired intangible assets, impairment of long lived assets, goodwill, accrued and deferred income taxes, valuation allowances on deferred tax assets, valuation of contingent consideration, accrued compensation, and other accrued expenses. These items are monitored and analyzed by CRA for changes in facts and circumstances, and material changes in these estimates could occur in the future. Changes in estimates are recorded in the period in which they become known. CRA bases its estimates on historical experience and various other assumptions that CRA believes to be reasonable under the circumstances. Actual results may differ from those estimates if CRA's assumptions based on past experience or other assumptions do not turn out to be substantially accurate.

3. Principles of Consolidation

The condensed consolidated financial statements include the accounts of CRA and its wholly owned subsidiaries. In addition, as more fully explained below, the condensed consolidated financial statements include CRA's interest in GNU123 Liquidating Corporation ("GNU", formerly known as

CRA International, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

3. Principles of Consolidation (Continued)

NeuCo, Inc.). All significant intercompany transactions and accounts have been eliminated in consolidation.

CRA's ownership interest in GNU was 55.89% for all periods presented. GNU's financial results have been consolidated with CRA, and the portion of GNU's results allocable to its other owners is shown as "noncontrolling interest."

On April 13, 2016, a buyer acquired substantially all the business assets and assumed substantially all the liabilities of GNU for a purchase price of \$1.35 million. Of this amount, \$1.1 million was received at closing, and the remaining \$0.25 million was paid in full on May 3, 2017. GNU recognized a gain on sale of its business assets of \$0.25 million during the second quarter of fiscal 2017, of which \$0.14 million is attributed to CRA. GNU was dissolved on December 15, 2017. In December 2017, CRA received a partial distribution of \$0.6 million in accordance with the asset purchase agreement. The final distribution is expected to be received during fiscal 2018, refer to Note 19.

4. Recent Accounting Standards Adopted

Revenue from Contracts with Customers

CRA adopted Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASC 606), which established Accounting Standards Codification ("ASC") Topic 606, on December 31, 2017, using the modified retrospective method for all contracts not completed as of the date of adoption. The reported results for fiscal 2018 reflect the application of ASC 606 guidance while the reported results for fiscal 2017 were prepared under the guidance of ASC 605, *Revenue Recognition* (ASC 605). The cumulative effect of applying ASC 606 to all contracts with customers that were not completed as of December 30, 2017 amounted to \$0.4 million. The cumulative effect adjustment resulted in an increase to CRA's fiscal 2018 opening balance of retained earnings of \$0.4 million, net of tax. Prior periods were not retrospectively adjusted.

Statement of Cash Flows (Topic 230): Restricted Cash

CRA adopted ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* ("ASU 2016-18") on January 1, 2018. ASU 2016-18 amends ASC 230 to add or clarify guidance on the classification and presentation of restricted cash in the statement of cash flows. The new standard requires cash and cash equivalents balances on the statement of cash flows to include restricted cash and cash equivalent balances. ASU 2016-18 requires a company to provide appropriate disclosures about its accounting policies pertaining to restricted cash in accordance with GAAP. Additionally, changes in restricted cash and restricted cash equivalents that result from transfers between cash, cash equivalents, and restricted cash and restricted cash equivalents are not to be presented as cash flow activities in the statement of cash flows. The adoption of ASU 2016-18 did not have a material impact on CRA's financial position, results of operations, cash flows, or disclosures.

Business Combinations (Topic 805): Clarifying the Definition of a Business

CRA adopted ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* ("ASU 2017-01") on January 1, 2018. ASU 2017-01 clarifies the definition of a business with the objective of adding guidance to assist companies and other reporting organizations with evaluating

CRA International, Inc.**Notes to Condensed Consolidated Financial Statements (Continued)****(Unaudited)****4. Recent Accounting Standards Adopted (Continued)**

whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. Under the amendments, a business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or other economic benefits directly to investors or other owners, members, or participants. The adoption of ASU 2017-01 did not have a material impact on CRA's financial position, results of operations, cash flows, or disclosures.

Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment

CRA adopted ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04") on January 1, 2018. ASU 2017-04 simplifies the subsequent measurement of goodwill and eliminates Step 2 from the goodwill impairment test. Under the amendments, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the charge recognized should not exceed the total amount of goodwill allocated to that reporting unit. Additionally, an entity should consider income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment charge, if applicable. The amendments also eliminated the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. Therefore, the same impairment assessment applies to all reporting units. An entity is required to disclose the amount of goodwill allocated to each reporting unit with a zero or negative carrying amount of net assets. The adoption of ASU 2017-04 did not have a material impact on CRA's financial position, results of operations, cash flows, or disclosures.

Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting

CRA adopted ASU No. 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting* ("ASU 2017-09") on January 1, 2018. ASU 2017-09 updates guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. Under the amendments, an entity should account for the effects of a modification unless all the following conditions are met. First, the fair value (or calculated value or intrinsic value, if such an alternative measurement method is used) of the modified award is the same as the fair value (or calculated value or intrinsic value, if such an alternative measurement method is used) of the original award immediately before the original award is modified. If the modification does not affect any of the inputs to the valuation technique that the entity uses to value the award, the entity is not required to estimate the value immediately before and after the modification. Second, the vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the original award is modified. Third, the classification of the modified award as an equity instrument or a liability is the same as the classification of the original award immediately before the original award is modified. The adoption of ASU 2017-09 did not have a material impact on CRA's financial position, results of operations, cash flows, or disclosures.

CRA International, Inc.**Notes to Condensed Consolidated Financial Statements (Continued)****(Unaudited)****4. Recent Accounting Standards Adopted (Continued)***Staff Accounting Bulletin No. 118 (SAB 118)*

On December 22, 2017, the SEC staff issued Staff Accounting Bulletin No. 118, "*Income Tax Accounting Implications of the Tax Cuts and Jobs Act*" ("SAB 118"), to address the application of GAAP in situations when a company does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Cuts and Jobs Act (the "Tax Act"). SAB 118 summarizes a three-step process to be applied at each reporting period to account for and disclose: (1) the effects of the change in tax law for which accounting is complete; (2) provisional amounts (or adjustments to provisional amounts) for the effects of the change in tax law where accounting is not complete, but a reasonable estimate has been determined; and (3) current or deferred tax amounts reflected in accordance with law prior to the enactment of the change in tax law because the accounting of the effects of the change in tax law are not complete and a reasonable estimate has not been determined, together with qualitative disclosure of the effects of the changes in tax law for which the accounting is not complete, the reason why the accounting is not complete, and the additional information that is needed to be obtained, prepared or analyzed in order to complete the accounting. Because the Tax Act was passed late in the fourth quarter of 2017, and ongoing guidance and accounting interpretations are expected over the next 12 months, CRA considers the accounting of deferred tax remeasurements and other items to be incomplete due to the forthcoming guidance and CRA's ongoing analysis of final year-end data and tax positions. Adjustments to these preliminary amounts identified during the measurement period, as defined, will be included as an adjustment to tax expense from continuing operations in the period in which the amounts are determined. CRA believes that it has made a good faith effort to complete the accounting under ASC 740 with respect to the Tax Act. SAB 118 provides that the measurement period is complete when a company's accounting is complete and in no circumstances, should the measurement period extend beyond one year from the enactment date of the applicable change in tax law.

5. Recent Accounting Standards Not Yet Adopted*Leases (Topic 842)*

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). ASU 2016-02 establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease, requires a dual approach to lease classification similar to current lease classifications, and causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than 12 months. The new standard is effective for interim and annual periods beginning after December 15, 2018. Early adoption is permitted. The new standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application. While the Company is currently evaluating the impact of adopting ASU 2016-02, based on the lease portfolio as of June 30, 2018, the Company anticipates recording a right of use asset and a lease liability that will materially increase its assets and liabilities on the consolidated balance sheet. The Company continues to evaluate the impact on its consolidated income statement.

CRA International, Inc.**Notes to Condensed Consolidated Financial Statements (Continued)****(Unaudited)****5. Recent Accounting Standards Not Yet Adopted (Continued)**

In July 2018, the FASB issued Accounting Standards Update ("ASU") No. 2018-10, *Codification Improvements to Topic 842, Leases* ("ASU 2018-10"). ASU 2018-10 clarifies or corrects unintended application of guidance related to ASU 2016-02. The amendment affects narrow aspects of ASU 2016-02 related to (1) residual value guarantees, (2) rate implicit in the lease, (3) lessee reassessment of lease clarification, (4) lessor reassessment of lease term and purchase option, (5) variable lease payments that depend on an index or a rate, (6) investment tax credits, (7) lease term and purchase option, (8) transition guidance for amounts previously recognized in business combinations, (9) certain transition adjustments, (10) transition guidance for leases previously classified as capital leases under *Topic 840*, (11) transition guidance for modifications to leases previously classified as direct financing or sales-type leases under *Topic 840*, (12) transition guidance for sale and leaseback transactions, (13) impairment of net investment in the lease, (14) unguaranteed residual assets, (15) effect of initial direct costs on rate implicit in the lease, and (16) failed sale and leaseback transactions. The amendments in this update affect the amendments in ASU 2016-02, which are not yet effective, but for which early adoption upon issuance is permitted. CRA has not yet determined the effects, if any, that the adoption of ASU 2018-10 may have on its financial position, results of operations, cash flows, or disclosures.

Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting

In June 2018, the FASB issued ASU No. 2018-07, *Compensation—Stock Compensation: Improvements to Nonemployee Share-Based Payment Accounting (Topic 718)* ("ASU 2018-07"). ASU 2018-07 expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. The amendments in this update specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The amendments also clarify that Topic 718 does not apply to share-based payments used effectively to provide financing to the issuer or awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under Topic 606, Revenue from Contracts with Customers. The new guidance is effective for interim and annual periods beginning after December 15, 2018. Early adoption is permitted. The new guidance requires a remeasurement of nonemployee awards at fair value as of the adoption date and disclosure of the nature of and reason for the change in accounting principle and, if applicable, quantitative information about the cumulative effect of the change on retained earnings or other components of shareholders' equity. CRA has not yet determined the effects, if any, that the adoption of ASU 2018-07 may have on its financial position, results of operations, cash flows, or disclosures.

6. Business Acquisitions

On January 31, 2017, CRA acquired C1 Consulting LLC, an independent consulting firm, and its wholly-owned subsidiary C1 Associates (collectively, "C1") for initial consideration comprised of cash and CRA restricted common stock. The asset purchase agreement provided for additional purchase consideration to be paid for up to four years following the transaction in the form of an earnout, if specific performance targets are met. These earnout payments are payable in cash and CRA restricted common stock. The fair value of this obligation was measured as of the acquisition date and accounted

CRA International, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

6. Business Acquisitions (Continued)

for as a component of the purchase consideration. Any adjustments to the initial valuation of the obligation in future accounting periods will be reported as an adjustment to net income. The acquisition accounting resulted in the recognition of goodwill of \$13.0 million, amortizable intangible assets of \$8.5 million and a contingent consideration liability of \$2.4 million.

7. Cash and Cash Equivalents

Cash equivalents consist principally of money market funds with maturities of three months or less when purchased. As of June 30, 2018, a substantial portion of CRA's cash accounts was concentrated at a single financial institution, which potentially exposes CRA to credit risks. The financial institution has a short-term credit rating of A-2 by Standard & Poor's ratings services. CRA has not experienced any losses related to such accounts. CRA does not believe that there is significant risk of non-performance by the financial institution, and its cash on deposit is fully liquid. CRA continually monitors the credit ratings of the institution.

8. Foreign Currency

Results of operations for CRA's non-U.S. subsidiaries are translated from the designated functional currency to the reporting currency of the U.S. dollar. Revenues and expenses are translated at average exchange rates for each month, while assets and liabilities are translated at balance sheet date exchange rates. The resulting net translation adjustments are recorded as a component of shareholders' equity in "Accumulated other comprehensive income (loss)."

Transaction gains and losses arising from currency exchange rate fluctuations on transactions denominated in a currency other than the local functional currency are included in on the condensed consolidated income statements. Such transaction gains and losses may be realized or unrealized depending upon whether the transaction settled during the period or remains outstanding at the balance sheet date.

9. Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurement), then priority to quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market (Level 2 measurement), then the lowest priority to unobservable inputs (Level 3 measurement).

CRA International, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

9. Fair Value of Financial Instruments (Continued)

The following table shows CRA's financial instruments as of June 30, 2018 and December 30, 2017 that are measured and recorded in the financial statements at fair value on a recurring basis (in thousands):

	June 30, 2018		
	Quoted Prices in Active Markets for Identical Assets or Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
	Level 1	Level 2	Level 3
<i>Assets:</i>			
Money market funds	\$ 28	\$ —	\$ —
Total Assets	\$ 28	\$ —	\$ —
<i>Liabilities:</i>			
Contingent consideration liability	\$ —	\$ —	\$ 3,291
Total Liabilities	\$ —	\$ —	\$ 3,291
	December 30, 2017		
	Quoted Prices in Active Markets for Identical Assets or Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
	Level 1	Level 2	Level 3
<i>Assets:</i>			
Money market funds	\$ 5,006	\$ —	\$ —
Total Assets	\$ 5,006	\$ —	\$ —
<i>Liabilities:</i>			
Contingent consideration liability	\$ —	\$ —	\$ 5,137
Total Liabilities	\$ —	\$ —	\$ 5,137

The fair values of CRA's money market funds are based on quotes received from third-party banks. The carrying value of CRA's revolving line of credit approximates the fair value based upon the short-term nature of the arrangement and the variable interest rate.

The contingent consideration liability in the tables above is for estimated future contingent consideration payments related to a prior acquisition. These deferred payments are recorded at fair value at the time of acquisition and are included in other current and/or non-current liabilities on our consolidated balance sheet. The fair value of the contingent consideration is determined using the Monte Carlo simulation (in a risk-neutral framework). The fair value of this liability is based on significant inputs not observed in the market, such as internally generated projections of future profitability, as well as related volatility and discount rates, and thus represent a Level 3 measurement. The fair value of this contingent acquisition liability is reassessed on a quarterly basis by CRA using additional information as it becomes available, and any change in the fair value estimates are recorded in cost of services on the condensed consolidated income statement of that period.

CRA International, Inc.**Notes to Condensed Consolidated Financial Statements (Continued)****(Unaudited)****9. Fair Value of Financial Instruments (Continued)**

The following table summarizes the changes in the contingent consideration liabilities over the fiscal year-to-date period ended June 30, 2018 and the fiscal year ended December 30, 2017 (in thousands):

	June 30, 2018	December 30, 2017
Beginning balance	\$ 5,137	\$ 549
Acquisitions	—	2,357
Remeasurement of acquisition-related contingent consideration	(2,100)	1,155
Accretion	254	1,328
Payments	—	(299)
Effect of foreign currency translation	—	47
Ending balance	<u>\$ 3,291</u>	<u>\$ 5,137</u>

10. Forgivable Loans

Forgivable loan activity for the fiscal year-to-date period ended June 30, 2018 and the fiscal year ended December 30, 2017 is as follows (in thousands):

	June 30, 2018	December 30, 2017
Beginning balance	\$ 28,628	\$ 33,962
Advances	22,649	11,672
Repayments	(3,333)	(2,135)
Reclassification to other assets	—	(1,100)
Amortization	(7,594)	(14,155)
Effects of foreign currency translation	(100)	384
Ending balance	<u>\$ 40,250</u>	<u>\$ 28,628</u>
Current portion of forgivable loans	<u>\$ 5,876</u>	<u>\$ 5,540</u>
Non-current portion of forgivable loans	<u>\$ 34,374</u>	<u>\$ 23,088</u>

CRA International, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

11. Goodwill and Intangible Assets

The changes in the carrying amount of goodwill during the fiscal year-to-date period ended June 30, 2018, are as follows (in thousands):

	Goodwill, gross	Accumulated impairment losses	Goodwill, net
Balance at December 30, 2017	\$ 165,417	\$ (76,417)	\$ 89,000
Effects of foreign currency translation	(344)	—	(344)
Balance at June 30, 2018	<u>\$ 165,073</u>	<u>\$ (76,417)</u>	<u>\$ 88,656</u>

Intangible assets that are separable from goodwill and have determinable useful lives are valued separately and amortized over their expected useful lives. There were no impairment losses related to intangible assets during the second quarter of fiscal 2018. There were impairment losses of \$0.5 million related to intangible assets during the second quarter of fiscal 2017.

The components of acquired identifiable intangible assets are as follows (in thousands):

	June 30, 2018	December 30, 2017
Non-competition agreements, net of accumulated amortization of \$513 and \$464, respectively	\$ 210	\$ 260
Customer relationships, net of accumulated amortization of \$3,799 and \$3,172, respectively	8,321	8,948
Total, net of accumulated amortization of \$4,312 and \$3,636, respectively	<u>\$ 8,531</u>	<u>\$ 9,208</u>

12. Accrued Expenses

Accrued expenses consist of the following (in thousands):

	June 30, 2018	December 30, 2017
Compensation and related expenses	\$ 51,700	\$ 80,105
Income taxes payable	527	153
Other	15,475	14,315
Total	<u>\$ 67,702</u>	<u>\$ 94,573</u>

As of June 30, 2018 and December 30, 2017, approximately \$36.2 million and \$63.8 million, respectively, of accrued bonuses were included above in "Compensation and related expenses". Additionally, as of June 30, 2018, "Other" accrued expenses include \$4.7 million of commissions due to senior consultants, \$1.0 million of direct project accruals, \$5.7 million of operating expense accruals and \$4.1 million of accrued leasehold improvements. As of December 30, 2017, "Other" accrued expenses include \$6.1 million of commissions due to senior consultants, \$1.3 million of direct project accruals, \$4.4 million of operating expense accruals and \$2.5 million of accrued leasehold improvements.

CRA International, Inc.**Notes to Condensed Consolidated Financial Statements (Continued)****(Unaudited)****13. Credit Agreement**

CRA is party to a credit agreement that provides CRA with a \$125.0 million revolving credit facility and a \$15.0 million sublimit for the issuance of letters of credit. CRA may use the proceeds of the revolving credit facility to provide working capital and for other general corporate purposes. CRA may repay any borrowings under the revolving credit facility at any time, but no later than October 24, 2022. There were \$20.8 million in borrowings outstanding under this revolving credit facility as of June 30, 2018, which consisted of \$17.5 million in the U.S. and £2.5 million in the U.K., refer to Note 19. These borrowings are expected to be repaid over the next 12 months in accordance with the terms of the agreement. There were no outstanding borrowings on this facility as of December 30, 2017.

As of June 30, 2018, the amount available under this revolving credit facility was reduced by certain letters of credit outstanding, which amounted to \$3.9 million. Under the credit agreement, CRA must comply with various financial and non-financial covenants. Compliance with these financial covenants is tested on a fiscal quarterly basis. As of June 30, 2018 and December 30, 2017, CRA was in compliance with the covenants of its credit agreement.

14. Revenue Recognition

CRA offers consulting services in two broad lines: litigation, regulatory, and financial consulting and management consulting. Together, these two service lines comprised all of CRA's consolidated revenues during the fiscal quarter ended June 30, 2018. CRA recognizes all project revenue on a gross basis based on consideration of the criteria set forth in ASC Topic 606-10-55, *Principal versus Agent Considerations*. Revenue recognized during the fiscal quarter and fiscal year-to-date periods ended June 30, 2018 under ASC 606 are not materially different from the revenues that would have been recognized under ASC 605.

CRA evaluates its revenue contracts with customers based on the five-step model under ASC 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied. CRA evaluates its contracts for legal enforceability at contract inception and subsequently throughout CRA's relationship with its customers. If legal enforceability with regards to the rights and obligations exist for both CRA and the customer, then CRA has an enforceable contract and revenue recognition is permitted subject to the satisfaction of the other criteria. If, at the outset of an arrangement, CRA determines that a contract with enforceable rights and obligations does not exist, revenues are deferred until all criteria for an enforceable contract are met.

Revenue is recognized when, or as, obligations under the terms of a contract are satisfied, which occurs when control of the promised consulting services are transferred to customers. Revenue is measured as the amount of consideration CRA expects to receive in exchange for transferring consulting services to a customer ("transaction price"). To the extent the transaction price includes variable consideration, CRA estimates the amount of variable consideration that should be included in the transaction price utilizing the most likely amount to which it expects to be entitled. Variable consideration is included in the transaction price if, in CRA's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. Estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are

CRA International, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

14. Revenue Recognition (Continued)

based largely on an assessment of CRA's anticipated performance and all information (historical, current and forecasted) that is reasonably available. Sales, value add, and other taxes collected on behalf of third parties are excluded from revenue.

When determining the transaction price of a contract, an adjustment is made if payment from a customer occurs either significantly before or significantly after performance, resulting in a significant financing component. Applying the practical expedient in ASC 606, CRA does not assess whether a significant financing component exists if the period between when it performs its obligations under the contract and when the customer pays is one year or less. None of CRA's contracts contained a significant financing component as of June 30, 2018.

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price based on the estimated relative standalone selling prices of the promised consulting services underlying each performance obligation. CRA determines standalone selling prices based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, CRA estimates the standalone selling price considering all available information such as market conditions and internally approved pricing guidelines related to the performance obligations.

Contracts are often modified to account for changes in project scope. Contract modifications exist when the modification either creates new or changes the existing enforceable rights and obligations. Generally, contract modifications for consulting services are not distinct from the existing contract as the modification expands CRA's consulting services and thus are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue on a cumulative catch-up basis.

Consulting services revenue is generally recognized over time as the services are delivered to the customer based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the consulting services to be provided. Depending on which better depicts the transfer of value to the customer, CRA generally measures its progress using either right-to-invoice for time and materials projects, or cost-to-cost for fixed-price projects. CRA uses the right-to-invoice measure of progress when it has a right to invoice the customer for an amount that corresponds directly with the value to the customer of its performance to date. Under the right-to-invoice measure of progress, revenues are recorded equal to the amount CRA could invoice the customer. CRA uses the cost-to-cost measure of progress when it best depicts the transfer of value to the customer which occurs as it incurs costs on its contract. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues are recorded proportionally as costs are incurred.

Consulting Services Revenues

The contracts CRA enters into and operates under specify whether the engagements are billed on a time-and-materials or a fixed-price basis. Most of CRA's revenue is derived from time-and-materials

CRA International, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

14. Revenue Recognition (Continued)

service contracts. Revenues from time-and-materials service contracts are recognized as services are provided based upon hours worked and contractually agreed-upon hourly rates, as well as indirect fees based upon hours worked. Revenues from a majority of CRA's fixed-price engagements are recognized on a proportional performance method based on the ratio of costs incurred (input method), substantially all of which are labor-related, to the total estimated project costs. In general, project costs are classified in costs of services and are based on the direct salary of CRA's employee consultants on the engagement plus all direct expenses incurred to complete the engagement, including any amounts billed to CRA by its non-employee experts.

Disaggregation of Revenue

The following table disaggregates CRA's revenue by major business line and timing of transfer of its consulting services. Refer to Note 12 to CRA's consolidated financial statements included in the annual report on Form 10-K for fiscal 2017, which was filed with the SEC on March 12, 2018, for further detail on revenues by geographical location (in thousands).

Type of Contract	Fiscal Quarter Ended		Fiscal Year-to-Date Period Ended	
	June 30, 2018	July 1, 2017(1)	June 30, 2018	July 1, 2017(1)
Consulting services revenues				
Fixed Price	\$ 20,666	\$ 28,203	\$ 41,385	\$ 46,978
Time-and-materials	84,872	65,360	163,629	134,756
Total	<u>\$ 105,538</u>	<u>\$ 93,563</u>	<u>\$ 205,014</u>	<u>\$ 181,734</u>

Geographic Breakdown	Fiscal Quarter Ended		Fiscal Year-to-Date Period Ended	
	June 30, 2018	July 1, 2017(1)	June 30, 2018	July 1, 2017(1)
Consulting services revenues				
United States	\$ 85,751	\$ 74,564	\$ 164,157	\$ 146,698
United Kingdom	14,858	13,944	30,064	26,873
Other	4,929	5,055	10,793	8,163
Total	<u>\$ 105,538</u>	<u>\$ 93,563</u>	<u>\$ 205,014</u>	<u>\$ 181,734</u>

(1) As noted above, prior period amounts have not been adjusted under the modified retrospective method.

Reserves for Variable Consideration and Credit Risk

Revenues from CRA's consulting services are recorded at the net sales price, or transaction price, which includes estimates of variable consideration for which reserves are established and result from price concessions that are expected to be extended to CRA's customers. These reserves on the variable consideration components subject to constraint are classified as reductions of accounts receivable.

CRA International, Inc.**Notes to Condensed Consolidated Financial Statements (Continued)****(Unaudited)****14. Revenue Recognition (Continued)**

These calculated estimates take into consideration CRA's historical experiences of prior period revenues which were subsequently reversed due to these price concessions. Overall, these reserves reflect CRA's best estimates of the amount of consideration to which it is entitled based on the terms of its contracts with its customers. The amount of variable consideration which is included in the transaction price may be constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period. Actual amounts of consideration ultimately received may differ from its estimates. If actual results in the future vary from its estimates, CRA adjusts these estimates, which would affect net revenue and earnings in the period such variances become known.

CRA's billed and unbilled receivables consist of receivables from a broad range of clients in a variety of industries located throughout the U.S. and in other countries. CRA performs a credit evaluation of its clients to minimize its collectability risk. Periodically, CRA will require advance payment from certain clients. However, CRA does not require collateral or other security. CRA maintains accounts receivable allowances for estimated losses and disputed amounts resulting from clients' failures to make required payments. CRA bases its estimates on historical collection experience, current trends, and credit policy. In determining these estimates, CRA examines historical write-offs of its receivables and reviews client accounts to identify any specific customer collection issues. If the financial condition of any of CRA's customers were to deteriorate, resulting in an impairment of their ability or intent to make payment, additional allowances may be required.

During the fiscal quarter and fiscal year-to-date period ended June 30, 2018, \$0.8 million and \$1.1 million, respectively, were recorded as a bad debt expense and reported as a component of selling, general and administrative expenses related to credit-related losses.

Revenues also include reimbursable expenses, which include travel and other out-of-pocket expenses, outside consultants, and other reimbursable expenses. Reimbursable expenses are as follows (in thousands):

	Fiscal Quarter Ended		Fiscal Year-to-Date Period Ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Reimbursable expenses	\$ 12,087	\$ 10,648	\$ 23,315	\$ 19,788

Transaction Price Allocated to Future Performance Obligations

ASC 606 requires that CRA disclose the aggregate amount of transaction price that is allocated to performance obligations that have not yet been satisfied as of June 30, 2018. The guidance provides certain practical expedients that limit this requirement for (1) contracts with an original expected length of one year or less and (2) contracts for which revenue is recognized at the amount to which CRA has the right to invoice for consulting services performed. Given the nature of its business, CRA does not disclose the value of unsatisfied performance obligations as the practical expedients apply to its unsatisfied performance obligations as of June 30, 2018.

CRA International, Inc.**Notes to Condensed Consolidated Financial Statements (Continued)****(Unaudited)****14. Revenue Recognition (Continued)***Contract Balances from Contracts with Customers*

CRA defines contract assets as assets for which it has recorded revenue because it determines that it is probable that it will earn a performance based or contingent fee, but is not yet entitled to receive a fee, because certain events, such as completion of the measurement period or client approval, must occur. These contract assets are included in accounts receivable, net and unbilled services within the consolidated balance sheets. The contract assets balance was immaterial as of June 30, 2018 and December 30, 2017.

CRA defines contract liabilities as advance payments or billings to its clients for services that have not yet been performed or earned and retainers. These liabilities are recorded within deferred revenues and are recognized as services are provided. Any taxes assessed on revenues relating to services provided to clients are recorded on a net basis.

During the fiscal quarter and fiscal year-to-date period ended June 30, 2018, CRA recognized the following revenue as a result of changes in the contract liability balance (in thousands):

	Fiscal Quarter Ended June 30, 2018	Fiscal Year-to-Date Period Ended June 30, 2018
Revenue recognized in the period from:		
Amounts included in the contract liability at the beginning of the period	\$ 1,532	\$ 4,517
Performance obligations satisfied in previous periods	\$ 3,253	\$ 5,392

The timing of revenue recognition, billings and cash collections results in billed receivables, unbilled services and contract liabilities on the condensed consolidated balance sheets.

When consideration is received, or such consideration is unconditionally due from a customer prior to transferring consulting services to the customer under the terms of a contract, a contract liability is recorded. Contract liabilities are recognized as revenue after control of the consulting services are transferred to the customer and all revenue recognition criteria have been met.

Costs to Obtain or Fulfill a Customer Contract

Prior to the adoption of ASC 606, CRA expensed bonuses paid to its employees. Under ASC 606, bonuses are not linked or paid based on specific contract billings or revenues and therefore do not represent incremental costs of obtaining a contract with a customer. Furthermore, even if the bonuses paid were incremental, the practical expedient in ASC 340 would apply, allowing for incremental costs of obtaining contracts to be expensed as incurred if the amortization period of the assets that it otherwise would have recognized is one year or less. As such, these costs are included in both cost of services and selling, general, and administrative expenses.

15. Net Income per Share

CRA calculates basic and diluted earnings per common share using the two-class method. Under the two-class method, net earnings are allocated to each class of common stock and participating security as if all the net earnings for the period had been distributed. CRA's participating securities

CRA International, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)

(Unaudited)

15. Net Income per Share (Continued)

consist of unvested share-based payment awards that contain a nonforfeitable right to receive dividends and therefore are considered to participate in undistributed earnings with common shareholders. Basic earnings per common share excludes dilution and is calculated by dividing net earnings allocable to common shares by the weighted-average number of common shares outstanding for the period. Diluted earnings per common share is calculated by dividing net earnings allocable to common shares by the weighted-average number of common shares as of the balance sheet date, as adjusted for the potential dilutive effect of non-participating share-based awards. Net earnings allocable to participating securities were not significant for the second quarter of fiscal 2018 and fiscal 2017.

The following table presents a reconciliation from net income attributable to CRA International, Inc. to net income available to common shareholders (in thousands):

	Quarter Ended		Fiscal Year-to-Date Period Ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Net income, as reported	\$ 6,839	\$ 3,813	\$ 11,725	\$ 6,666
Less: net income attributable to participating shares	39	24	69	44
Net income available to common shareholders	<u>\$ 6,800</u>	<u>\$ 3,789</u>	<u>\$ 11,656</u>	<u>\$ 6,622</u>

The following table presents a reconciliation of basic to diluted weighted average shares of common stock outstanding (in thousands):

	Quarter Ended		Fiscal Year-to-Date Period Ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Basic weighted average shares outstanding	8,053	8,428	8,169	8,423
Stock options and restricted stock units	497	190	480	196
Diluted weighted average shares outstanding	<u>8,550</u>	<u>8,618</u>	<u>8,649</u>	<u>8,619</u>

For the fiscal quarter and fiscal year-to-date period ended June 30, 2018, the anti-dilutive share based awards that were excluded from the calculation of common stock equivalents for purposes of computing diluted weighted average shares outstanding amounted to 22,757 and 11,379 shares, respectively. For the fiscal quarter and fiscal year-to-date period ended July 1, 2017, the anti-dilutive share based awards that were excluded from the calculation of common stock equivalents for purposes of computing diluted weighted average shares outstanding amounted to 192,504 and 56,360 shares, respectively. These share-based awards were anti-dilutive because their exercise price exceeded the average market price over the respective period.

On May 3, 2017 and February 15, 2018, CRA announced its Board of Directors authorized the repurchase of up to an additional \$20.0 million and \$20.0 million, respectively, of CRA's common stock. Repurchases under these programs are discretionary and CRA may make such purchases under any of these programs in the open market (including under any Rule 10b5-1 plan adopted by CRA) or in

CRA International, Inc.**Notes to Condensed Consolidated Financial Statements (Continued)****(Unaudited)****15. Net Income per Share (Continued)**

privately negotiated transactions, in each case in accordance with applicable insider trading and other securities laws and regulations. CRA records the retirement of its repurchased shares as a reduction to common stock. During the fiscal quarter and fiscal year-to-date period ended June 30, 2018, CRA repurchased and retired 215,585 shares and 378,477 shares, respectively, under these share repurchase programs at an average price per share of \$55.99 and \$53.90, respectively. During the fiscal quarter and fiscal year-to-date period ended July 1, 2017, there were 389,079 shares repurchased and retired under these share repurchase programs at an average price per share of \$34.63. As of June 30, 2018, there was approximately \$9.1 million available for future repurchases under these programs.

16. Income Taxes***Effects of the Tax Cuts and Jobs Act***

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was signed into U.S. law. The Tax Act significantly changes the Internal Revenue Code of 1986, as amended. The Tax Act, among other things, includes changes to the U.S. corporate tax rate, expands limitations on the deductibility of meals and entertainment, eliminates the exception to the section 162(m) limitation on the deductibility of the compensation paid to certain executive officers for "qualified performance-based compensation," allows for the expensing of capital expenditures, migrates from a "worldwide" system of taxation to a territorial system, and includes a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings as of December 31, 2017. ASC Topic 740, "Accounting for Income Taxes," requires companies to recognize the effect of tax law changes in the period of enactment even though the effective date for most provisions is for tax years beginning after December 31, 2017, or in the case of certain other provisions of the law, January 1, 2018.

Given the significance of the legislation, the U.S. Securities and Exchange Commission staff issued Staff Accounting Bulletin No. 118 ("SAB 118"), which allows registrants to record provisional amounts during a one year "measurement period" similar to that used when accounting for business combinations. However, the measurement period is deemed to have ended earlier when the registrant has obtained, prepared, and analyzed the information necessary to finalize its accounting. During the measurement period, impacts of the law are expected to be recorded at the time a reasonable estimate for all or a portion of the effects can be made, and provisional amounts can be recognized and adjusted as information becomes available, prepared, or analyzed.

SAB 118 summarizes a three-step process to be applied at each reporting period to account for and disclose: (1) the effects of the change in tax law for which accounting is complete; (2) provisional amounts (or adjustments to provisional amounts) for the effects of the change in tax law where accounting is not complete, but a reasonable estimate has been determined; and (3) current or deferred tax amounts reflected in accordance with law prior to the enactment of the change in tax law because the accounting of the effects of the change in tax law are not complete and a reasonable estimate has not been determined, together with qualitative disclosure of the effects of the changes in tax law for which the accounting is not complete, the reason why the accounting is not complete, and the additional information that is needed to be obtained, prepared or analyzed in order to complete the accounting. CRA is applying the guidance in SAB 118 when accounting for the enactment-date effects of the Tax Act. As of June 30, 2018, CRA has not completed its accounting for all the tax effects of the Tax Act; however, in certain cases, as described below, aspects of accounting are complete. Additionally, CRA

CRA International, Inc.**Notes to Condensed Consolidated Financial Statements (Continued)****(Unaudited)****16. Income Taxes (Continued)**

has made a reasonable estimate of other effects. As further discussed below, during the fiscal year-to-date period ended June 30, 2018, CRA recognized an adjustment of \$0.3 million to the provisional amounts recorded at December 30, 2017 and included this adjustment as a component of income tax expense from continuing operations. In all cases, CRA will continue to make and refine its calculations as additional analysis is completed. CRA's estimates may also be affected as it gains a more thorough understanding of the tax law. These changes could be material to income tax expense.

Deferred tax assets and liabilities: In response to the Tax Act, CRA remeasured its U.S. related deferred tax assets and liabilities based on the expected rates at which they may reverse in the future, which is generally 21%. CRA recorded a provisional amount of \$3.6 million as of December 30, 2017 related to the remeasurement of its deferred tax balances. Upon refinement of its calculations during the fiscal year-to-date period ended June 30, 2018, CRA adjusted its provisional amount by \$0.1 million. Additionally, as a result of anticipated guidance in connection with the deductibility of compensation paid to certain executive officers for "qualified performance-based compensation," CRA recorded a provisional amount of \$0.2 million which resulted in a 2.5% increase to the quarterly effective tax, raising it from 27.3% to 29.8%. Both adjustments were included as a component of income tax expense from continuing operations. CRA will continue to analyze and refine its calculations related to deferred tax balances.

Foreign Tax Effects

The Tax Act includes a one-time mandatory repatriation transition tax on the net accumulated earnings and profits of a U.S. taxpayer's foreign subsidiaries. At December 30, 2017, CRA did not record any transition tax liability as it is in an accumulated deficit position with respect to its foreign subsidiaries based on its earnings and profits ("E&P") analysis. CRA considers its accounting for the transition tax to be complete.

The Tax Act subjects a U.S. shareholder to current tax on global intangible low-taxed income ("GILTI") earned by certain foreign subsidiaries. The FASB Staff Q&A, Topic 740 No. 5, Accounting for Global Intangible Low-Taxed Income, states that an entity can make an accounting policy election to either recognize deferred taxes for temporary differences expected to reverse as GILTI in future years or provide for the tax expense related to GILTI resulting from those items in the year the tax is incurred. Given the complexity of the GILTI provisions, CRA is still evaluating the effects of the GILTI provisions and has not yet determined its accounting policy. As of the June 30, 2018 reporting period, CRA has included GILTI associated with current-year operations solely within the estimated annual effective tax rate ("EAETR") and has not provided additional GILTI on deferred items.

The Tax Act allows U.S. Corporations to take a deduction related to its foreign-derived intangible income ("FDII") produced in the U.S. CRA expects to be able to take FDII deduction for the fiscal year ended December 29, 2018. CRA has made sufficient progress in its calculations to reasonably estimate the effect on its estimated annual effective tax rate but will continue to refine its calculations, which may result in changes to this amount.

CRA's effective income tax rates were 29.8% and 34.0% for the second quarter of fiscal 2018 and fiscal 2017, respectively. The effective tax rate for the second quarter of fiscal 2018 was lower than the prior year primarily due to a lower statutory U.S. corporate tax rate of 21% as well as an increased tax

CRA International, Inc.**Notes to Condensed Consolidated Financial Statements (Continued)****(Unaudited)****16. Income Taxes (Continued)**

benefit on stock-based compensation related to the adoption of ASU 2016-09. This was partially offset by higher non-deductible items in fiscal 2018 as a result of the Tax Act stemming from new limitations on the deductibility of compensation paid to executive officers and the deductibility of meals and entertainment, coupled with an immaterial discrete benefit recorded in fiscal 2017 that was nonrecurring in fiscal 2018. The effective tax rate in the second quarter of fiscal 2018 was higher than the combined federal and state statutory tax rate primarily due to the non-deductible items referenced above as a result of the Tax Act, partially offset by the tax benefit on stock-based compensation related to the adoption of ASU 2016-09. The effective tax rate in the second quarter of fiscal 2017 was lower than the combined federal and state statutory tax rate primarily due to a favorable geographical mix of earnings as well as the tax benefit related to stock-based compensation and the tax implications associated with the reversal of contingent consideration recorded as discrete items during the quarter.

CRA's effective income tax rates were 25.1% and 36.0% for the first half of fiscal 2018 and fiscal 2017, respectively. The effective tax rate for the first half of fiscal 2018 was lower than the prior year primarily due to a lower statutory U.S. corporate tax rate of 21% as well as an increased tax benefit on stock-based compensation related to the adoption of ASU 2016-09, partially offset by higher non-deductible items as a result of the Tax Act stemming from new limitations on the deductibility of compensation paid to executive officers and the deductibility of meals and entertainment. The effective tax rate in the first half of fiscal 2018 was lower than the combined federal and state statutory tax rate primarily due to the tax benefit on stock-based compensation related to the adoption of ASU 2016-09, partially offset by non-deductible items referenced above as a result of the Tax Act. The effective tax rate in the first half of fiscal 2017 was lower than the combined Federal and state statutory tax rate primarily due to a favorable geographical mix of earnings, as well as the tax benefit related to stock-based compensation and the tax implications associated with the reversal of contingent consideration.

During fiscal 2016, an examination by the Internal Revenue Service for fiscal 2014 commenced. During the second quarter of fiscal 2018, the IRS exam concluded with no changes made to CRA's fiscal 2014 tax liability. As a result, CRA recognized previously unrecognized gross tax benefits of approximately \$209 thousand.

CRA has not provided for deferred income taxes or foreign withholding taxes on undistributed earnings and other basis differences that may exist from its foreign subsidiaries as of June 30, 2018 because such earnings are considered to be indefinitely reinvested. CRA does not rely on these unremitted earnings as a source of funds for its domestic business as it expects to have sufficient cash flow in the U.S. to fund its U.S. operational and strategic needs. If CRA were to repatriate its foreign earnings that are indefinitely reinvested, it would accrue substantially no additional tax expense.

17. Contingencies

CRA is subject to legal actions arising in the ordinary course of business. In management's opinion, CRA has adequate legal defenses and/or insurance coverage with respect to the eventuality of such actions. CRA does not believe any settlement or judgment relating to any pending legal action would materially affect its financial position or results of operations.

CRA International, Inc.**Notes to Condensed Consolidated Financial Statements (Continued)****(Unaudited)****18. Correction**

During the first quarter of fiscal 2018, CRA discovered the December 30, 2017 balances of deferred compensation and other non-current liabilities of \$20.7 million and deferred rent and facility-related non-current liabilities of \$11.5 million had been transposed. These immaterial offsetting errors had a net effect of \$0 on non-current liabilities and total liabilities and have been revised as follows in the presentation of the December 30, 2017 balance sheet in this quarterly report on Form 10-Q (in thousands):

	<u>As previously reported</u>	<u>As revised</u>
Deferred compensation and other non-current liabilities	\$ 20,656	\$ 11,526
Deferred rent and facility-related non-current liabilities	\$ 11,526	\$ 20,656

During the second quarter of fiscal 2018, CRA discovered that the accounts receivable and unbilled services allowances presented on the December 30, 2017 consolidated balance sheet required adjustment. These adjustments in disclosure are immaterial and had no effect on the amounts of accounts receivable and unbilled services presented on the December 30, 2017 consolidated balance sheet (in thousands):

	<u>As previously reported</u>	<u>As revised</u>
Allowance netted against accounts receivable	\$ 7,378	\$ 5,252
Accounts receivable, net of allowance	\$ 79,803	\$ 79,803
Allowance netted against unbilled service	\$ 1,746	\$ 865
Unbilled services, net of allowance	\$ 33,530	\$ 33,530

As a result of the adjustment to the accounts receivable allowance, the following classification changes were required within the operating activities portion of the July 1, 2017 consolidated statement of cash flows (in thousands):

	<u>As previously reported</u>	<u>As revised</u>
Accounts receivable allowance	\$ 2,620	\$ 1,536
Accounts receivable	\$ (6,344)	\$ (5,260)
Net cash used in operating activities	\$ (8,483)	\$ (8,483)

19. Subsequent Events

On August 2, 2018, CRA announced that its Board of Directors declared a quarterly cash dividend of \$0.17 per share of CRA's common stock, payable on September 21, 2018 to shareholders of record as of August 28, 2018.

During the month of July 2018, CRA repaid \$7.5 million in the U.S. and £2.5 million in the U.K. on its existing borrowings under its revolving line of credit. After these repayments, \$10 million of borrowings remain outstanding in the U.S.

In July 2018, CRA received the GNU final distribution in the amount of \$56 thousand in accordance with the asset purchase agreement.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Except for historical facts, the statements in this quarterly report are forward-looking statements. Forward-looking statements are merely our current predictions of future events. These statements are inherently uncertain, and actual events could differ materially from our predictions. Important factors that could cause actual events to vary from our predictions include those discussed below under the heading "Risk Factors." We assume no obligation to update our forward-looking statements to reflect new information or developments. We urge readers to review carefully the risk factors described in the other documents that we file with the Securities and Exchange Commission, or SEC. You can read these documents at www.sec.gov.

Our principal Internet address is www.crai.com. Our website provides a link to a third-party website through which our annual, quarterly, and current reports, and amendments to those reports, are available free of charge. We believe these reports are made available as soon as reasonably practicable after we file them electronically with, or furnish them to, the SEC. We do not maintain or provide any information directly to the third-party website, and we do not check its accuracy.

Our website also includes information about our corporate governance practices. The Investor Relations page of our website provides a link to a web page where you can obtain a copy of our code of business conduct and ethics applicable to our principal executive officer, principal financial officer, and principal accounting officer.

Critical Accounting Policies and Significant Estimates

The discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the U.S. ("U.S. GAAP"). The preparation of these financial statements requires us to make significant estimates and judgments that affect the reported amounts of assets and liabilities, as well as the related disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates in these condensed consolidated financial statements include, but are not limited to, allowances for accounts receivable and unbilled services, revenue recognition on fixed price contracts, depreciation of property and equipment, share-based compensation, valuation of acquired intangible assets, impairment of long lived assets, goodwill, accrued and deferred income taxes, valuation allowances on deferred tax assets, accrued compensation, and other accrued expenses. These items are monitored and analyzed by management for changes in facts and circumstances, and material changes in these estimates could occur in the future. Changes in estimates are recorded in the period in which they become known. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from our estimates if our assumptions based on past experience or our other assumptions do not turn out to be substantially accurate.

We have described our significant accounting policies in Note 1 to our consolidated financial statements included in our annual report on Form 10-K for fiscal 2017, which was filed with the SEC on March 12, 2018. We have reviewed our accounting policies, identifying those that we believe to be critical to the preparation and understanding of our consolidated financial statements in the list set forth below. See the disclosure under the heading "Critical Accounting Policies" in Item 7 of Part II of our Annual Report on Form 10-K for fiscal 2017 for a detailed description of these policies and their potential effects on our results of operations and financial condition.

- Revenue recognition and allowances for accounts receivable and unbilled services
- Share-based compensation expense

- Deferred compensation
- Valuation of goodwill and other intangible assets
- Accounting for income taxes

Except for the adoption of ASC 606, we did not adopt any changes in the first half of fiscal 2018 that had a material effect on these critical accounting policies, nor did we make any changes to our accounting policies in the first half of fiscal 2018 that changed these critical accounting policies.

Revenue from Contracts with Customers

We adopted ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASC 606) on January 1, 2018, using the modified retrospective method for all contracts not completed as of the date of adoption. The reported results for fiscal 2018 reflect the application of ASC 606 guidance while the reported results for fiscal 2017 were prepared under the guidance of ASC 605, *Revenue Recognition* (ASC 605). The cumulative effect of applying ASC 606 to all contracts with customers that were not completed as of December 30, 2017 amounted to \$0.4 million. The cumulative effect adjustment resulted in an increase to our fiscal 2018 opening balance of retained earnings of \$0.4 million, net of tax. Prior periods were not retrospectively adjusted. See Note 14 to our consolidated condensed financial statements for a complete description of our accounting policy.

Recent Accounting Standards

See Note 5 to our condensed consolidated financial statements included in this quarterly report on Form 10-Q for a discussion of recent accounting standards that we have not yet adopted. Additionally, Note 5 should be read in conjunction with the disclosure under the heading "Recent Accounting Standards" contained in Note 1 to our consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended December 30, 2017.

Results of Operations—For the Fiscal Quarter and Fiscal Year-to-Date Period Ended June 30, 2018, Compared to the Fiscal Quarter and Fiscal Year-to-Date Period Ended July 1, 2017

The following table provides operating information as a percentage of revenues for the periods indicated:

	Fiscal Quarter Ended		Fiscal Year-to-Date Period Ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Revenues	100.0%	100.0%	100.0%	100.0%
Costs of services (exclusive of depreciation and amortization)	66.0	69.7	67.8	70.3
Selling, general and administrative expenses	22.5	21.7	22.1	21.4
Depreciation and amortization	2.3	2.4	2.3	2.3
Income from operations	9.2	6.3	7.7	5.9
GNU gain on sale of business assets	0.0	0.3	0.0	0.1
Interest expense, net	(0.3)	(0.2)	(0.2)	(0.1)
Other income (expense), net	0.4	0.0	0.1	(0.1)
Income before provision for income taxes	9.2	6.3	7.6	5.8
Provision for income taxes	2.7	2.2	1.9	2.1
Net income	6.5	4.2	5.7	3.7
Net (income) loss attributable to noncontrolling interest, net of tax	0.0	(0.1)	0.0	0.0
Net income attributable to CRA International, Inc.	6.5%	4.1%	5.7%	3.7%

Fiscal Quarter Ended June 30, 2018 Compared to the Fiscal Quarter Ended July 1, 2017

Revenues. Revenues increased by \$11.9 million, or 12.7%, to \$105.5 million for the second quarter of fiscal 2018 from \$93.6 million for the second quarter of fiscal 2017. The increase in net revenue was a result of an increase in gross revenues of \$11.7 million as compared to the second quarter of fiscal 2017, while write-offs and reserves decreased by \$0.2 million compared to the second quarter of 2017. Included in revenues are the effect of changes in currency exchange rates of an increase of \$1.2 million and a decrease of \$1.8 million for the second quarters of fiscal 2018 and 2017, respectively. Utilization increased to 79% for the second quarter of fiscal 2018 from 76% for the second quarter of fiscal 2017, while consultant headcount grew modestly from 600 at the end of the second quarter of fiscal 2017 to 628 at the end of the second quarter of fiscal 2018. Billable hours increased by 9.9% for the second quarter of fiscal 2018 when compared to the second quarter of fiscal 2017.

Overall, revenues outside of the U.S. represented approximately 19% of total revenues for the second quarter of fiscal 2018 compared with approximately 20% of total revenues for the second quarter of fiscal 2017. Revenues derived from fixed-price engagements decreased to 20% of total revenues for the second quarter of fiscal 2018 compared with 30% of total revenues for the second quarter of fiscal 2017. These percentages of revenue derived from fixed-price engagements depend largely on the proportion of our revenues derived from our management consulting business, which typically has a higher concentration of fixed-price service contracts.

Costs of Services (exclusive of depreciation and amortization). Costs of services (exclusive of depreciation and amortization) increased by \$4.5 million, or 6.9%, to \$69.7 million for the second quarter of fiscal 2018 from \$65.2 million for the second quarter of fiscal 2017. The increase in costs of services was due primarily to an increase of \$2.0 million in employee compensation and fringe benefit costs attributable to salaries and benefits associated with our increased consulting headcount, an increase in forgivable loan amortization of \$1.3 million and an increase in incentive and retention compensation costs of \$2.5 million, offset by a decrease in stock compensation expense of \$0.3 million and decrease in the valuation of the contingent consideration of \$2.3 million, of which \$1.7 million relates to a decrease in valuation of the contingent consideration liability during the second quarter of fiscal 2018 compared to an increase of \$0.6 million in the valuation of the contingent consideration liability during the second quarter of fiscal 2017. Additionally, client reimbursable expenses increased by \$1.4 million in the second quarter of fiscal 2018 compared to the second quarter of fiscal 2017. As a percentage of revenues, costs of services (exclusive of depreciation and amortization) decreased to 66.0% for the second quarter of fiscal 2018 from 69.7% for the second quarter of fiscal 2017.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by \$3.4 million, or 16.7%, to \$23.7 million for the second quarter of fiscal 2018 from \$20.3 million for the second quarter of fiscal 2017. A significant contributor to this increase was a \$0.6 million increase in employee and incentive compensation, \$1.4 million increase in other operating expenses due to increased travel and entertainment costs and professional services fees, a \$0.7 million increase in rent expense due to additional leased space in our San Francisco, Chicago and London offices, as well as an increase in commissions to our nonemployee experts of \$1.2 million for the second quarter of fiscal 2018 as compared to the second quarter of fiscal 2017, as a higher percentage of our revenue for the quarter was sourced by our nonemployee experts. Offsetting these increases was a decrease of \$0.5 million in impairment charges related to customer relationship intangibles in fiscal 2017.

As a percentage of revenues, selling, general and administrative expenses increased slightly to 22.5% for the second quarter of fiscal 2018 from 21.7% for the second quarter of fiscal 2017 due primarily to the aforementioned increase in selling, general and administrative expenses, somewhat offset by the effect of an increase in revenues in the second quarter of fiscal 2018 as compared with the second quarter of fiscal 2017. Commissions to our nonemployee experts increased slightly to 3.3% of

revenues for the second quarter of fiscal 2018 compared to 2.4% of revenues for the second quarter of fiscal 2017.

Provision for Income Taxes. The income tax provision was \$2.9 million and the effective tax rate was 29.8% for the second quarter of fiscal 2018 compared to \$2.0 million and 34.0% for the second quarters of fiscal 2017. The effective tax rate for the second quarter of fiscal 2018 was lower than the prior year primarily due to a lower statutory US corporate tax rate of 21% as well as an increased tax benefit related to stock-based compensation resulting from the adoption of ASU 2016-09. This was partially offset by higher non-deductible items in fiscal 2018 as a result of the Tax Act stemming from new limitations on the deductibility of compensation paid to executive officers and the deductibility of meals and entertainment, coupled with a discrete benefit recorded in fiscal 2017 that was nonrecurring in fiscal 2018. The effective tax rate in the second quarter of fiscal 2018 was higher than the combined federal and state statutory tax rate primarily due to the non-deductible items referenced above as a result of the Tax Act, partially offset by the tax benefit on stock-based compensation related to the adoption of ASU 2016-09. The effective tax rate in the second quarter of fiscal 2017 was lower than the combined federal and state statutory tax rate primarily due to a favorable geographical mix of earnings as well as the tax benefit related to stock-based compensation and the tax implications associated with the reversal of contingent consideration recorded as discrete items during the quarter.

Net Income Attributable to CRA International, Inc. Net income attributable to CRA International, Inc. increased by \$3.0 million to \$6.8 million for the second quarter of fiscal 2018 from \$3.8 million for the second quarter of fiscal 2017. The net income per diluted share was \$0.79 per share for the second quarter of fiscal 2018, compared to \$0.44 of net income per diluted share for the second quarter of fiscal 2017. Weighted average diluted shares outstanding decreased by approximately 68,000 shares to approximately 8,550,000 shares for the second quarter of fiscal 2018 from approximately 8,618,000 shares for the second quarter of fiscal 2017. The decrease in weighted average diluted shares outstanding was primarily due to the repurchase and retirement of shares of our common stock since July 1, 2017, offset in part by an increase related to our share-based compensation awards.

Fiscal Year-to-Date Period Ended June 30, 2018 Compared to the Fiscal Year-to-Date Period Ended July 1, 2017

Revenues. Revenues increased by \$23.3 million, or 12.8%, to \$205.0 million for the fiscal year-to-date period ended June 30, 2018 from \$181.7 million for the fiscal year-to-date period ended July 1, 2017. The increase in net revenue was a result of an increase in gross revenues of \$24.0 million as compared to the first half of fiscal 2017, offset by an increase in write-offs and reserves of \$0.8 million as compared to the first half of fiscal 2017. Included in revenues are the effect of changes in currency exchange rates of an increase of \$3.4 million and a decrease of \$3.9 million for the second quarters of fiscal 2018 and 2017, respectively. Utilization increased to 76% for the first half of fiscal 2018 from 74% for the first half of fiscal 2017, while consultant headcount declined modestly during the first half of fiscal 2018.

Overall, revenues outside of the U.S. represented approximately 20% and 19% of total revenues for the fiscal year-to-date period ended June 30, 2018 and the fiscal year-to-date period ended July 1, 2017, respectively. Revenues derived from fixed-price engagements were 20% and 26% of total revenues for the fiscal year-to-date period ended June, 2018 and the fiscal year-to-date period ended July 1, 2017, respectively. These percentages of revenue derived from fixed-price engagements depend largely on the proportion of our revenues derived from our management consulting business, which typically has a higher concentration of fixed-price service contracts.

Costs of Services (exclusive of depreciation and amortization). Costs of services (exclusive of depreciation and amortization) increased by \$11.3 million, or 8.8%, to \$139.1 million for the fiscal year-to-date period ended June 30, 2018 from \$127.8 million for the fiscal year-to-date period ended

July 1, 2017. The increase in costs of services was due primarily to an increase of \$4.9 million in employee compensation and fringe benefit costs attributable to salaries and benefits associated with our increased consulting headcount, primarily attributable to the C1 acquisition, an increase in incentive and retention compensation costs of \$5.1 million, and an increase in forgivable loan amortization of \$1.0 million, offset by a decrease in stock compensation expense of \$0.7 million and a decrease in the valuation of the contingent consideration of \$2.4 million of which \$1.8 million relates to a decrease in valuation of the contingent consideration liability during the fiscal year-to-date period ended June 30, 2018 compared to an increase of \$0.6 million in the valuation of the contingent consideration liability during the fiscal year-to-date period ended June 30, 2017. Additionally, client reimbursable expenses increased by \$3.5 million in the first half of fiscal 2018 compared to the first half of fiscal 2017. As a percentage of revenues, costs of services (exclusive of depreciation and amortization) decreased to 67.8% for the first half of fiscal 2018 from 70.3% for the first half of fiscal 2017.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by \$6.4 million, or 16.4%, to \$45.4 million for the first half of fiscal 2018 from \$39.0 million for the first half of fiscal 2017. The primary contributors to this increase were an increase in employee and incentive compensation of \$1.0 million, a \$1.8 million increase in other operating expenses due to increased travel and entertainment costs and professional services fees, \$2.4 million increase in rent and operating costs due additional space in our New York, San Francisco, Chicago and London offices, as well as an increase in commissions to our nonemployee experts of \$1.5 million for the first half of fiscal 2018 as compared to the first half of fiscal 2017, as a higher percentage of our revenue for the quarter was sourced by our nonemployee experts.

As a percentage of revenues, selling, general and administrative expenses increased to 22.1% for the fiscal year-to-date period ended June 30, 2018 from 21.4% for the fiscal year-to-date period ended July 1, 2017 due primarily to the increase in revenues. Commissions to our nonemployee experts increased to 3.2% of revenues for the fiscal year-to-date period ended June 30, 2018 compared to 2.8% of revenues for the fiscal year-to-date period ended July 1, 2017 as less revenue was sourced by nonemployee experts in the first half of fiscal 2017 compared to the first half of fiscal 2018.

GNU Gain on Sale of Business Assets. On April 13, 2016, a buyer acquired substantially all of the business assets and assumed substantially all of the liabilities of GNU for a purchase price of \$1.35 million. Of this amount, \$1.1 million was received at closing, and the remaining \$0.25 million was paid in full on May 3, 2017. GNU recognized a gain on sale of its business assets of \$0.25 million during the second quarter of fiscal 2017, of which \$0.14 million is attributed to CRA.

Provision for Income Taxes. For the first half of fiscal 2018, our income tax provision was \$3.9 million, and the effective tax rate was 25.1%, compared to a provision of \$3.8 million and an effective tax rate of 36.0% for the first half of fiscal 2017. The effective tax rate for the first half of fiscal 2018 was lower than the prior year primarily due to a lower statutory U.S. corporate tax rate of 21% as well as an increased tax benefit on stock-based compensation related to the adoption of ASU 2016-09, partially offset by higher non-deductible items as a result of the Tax Act stemming from new limitations on the deductibility of compensation paid to executive officers and the deductibility of meals and entertainment. The effective tax rate in the first half of fiscal 2018 was lower than the combined federal and state statutory tax rate primarily due to the tax benefit on stock-based compensation related to the adoption of ASU 2016-09, partially offset by non-deductible items referenced above as a result of the Tax Act. The effective tax rate in the first half of fiscal 2017 was lower than the combined federal and state statutory tax rate primarily due to a favorable geographical mix of earnings, as well as the tax benefit related to stock-based compensation and the tax implications associated with the reversal of contingent consideration.

Net Income Attributable to CRA International, Inc. Net income attributable to CRA International, Inc. increased by \$5.0 million to \$11.7 million for the fiscal year-to-date period ended

June 30, 2018 from \$6.7 million for the fiscal year-to-date period ended July 1, 2017. The diluted net income per share was \$1.35 for the fiscal year-to-date period ended June 30, 2018, compared to diluted net income per share of \$0.77 for the fiscal year-to-date period ended July 1, 2017. Diluted weighted average shares outstanding increased by approximately 30,000 to approximately 8,649,000 shares for the fiscal year-to-date period ended June 30, 2018 from approximately 8,619,000 shares for the fiscal year-to-date period ended July 1, 2017.

Liquidity and Capital Resources

Fiscal Year-to-Date Period Ended June 30, 2018

We believe that our current cash, cash equivalents, cash generated from operations, and amounts available under our bank revolving line of credit will be sufficient to meet our anticipated working capital and capital expenditure requirements for at least the next 12 months.

General. In the fiscal year-to-date period ended June 30, 2018, cash and cash equivalents decreased by \$45.0 million. We completed the period with cash and cash equivalents of \$9.0 million and working capital (defined as current assets less current liabilities) of \$36.6 million. The principal drivers of the reduction of cash was payment of a significant portion of our fiscal 2017 performance bonuses in the first half of 2018, the repurchase of shares, the funding of forgivable loans and the buildout costs of our New York, San Francisco, Chicago and London offices.

Of the total cash and cash equivalents of \$9.0 million at June 30, 2018, \$3.2 million was held within the U.S. We have sufficient sources of liquidity in the U.S., including cash from operations and availability on our revolving line of credit, to fund U.S. activities. At June 30, 2018, we had outstanding borrowings on the revolving line of credit of \$20.8 million, which is expected to be paid within 12 months of borrowing.

Sources and Uses of Cash. During the fiscal year-to-date period ended June 30, 2018, net cash used in operating activities was \$32.8 million. Net income was \$11.7 million for the fiscal year-to-date period ended June 30, 2018. The primary factor in cash used in operations was the decrease in the "accounts payable, accrued expenses, and other liabilities" line item of the statement of cash flows of \$31.3 million due to the payment of a significant portion of our fiscal 2017 performance bonuses during the first half of fiscal 2018. Other uses of cash included an increase of \$9.9 million in accounts receivable, an increase of \$5.0 million in unbilled receivables and an increase of \$12.1 million in forgivable loans. The change in forgivable loans for the period of \$12.1 million was primarily driven by \$19.3 million of forgivable loan issuances, net of repayments, as well as an increase of \$0.4 million of foreign currency exchange, offset by \$7.6 million of forgivable loan amortization. Offsetting these uses of cash was a \$0.4 million decrease in the prepaid expenses and other current assets, and other assets and a \$1.5 million decrease in incentive cash awards. Cash provided by operations included non-cash items including depreciation and amortization expense of \$4.7 million and share-based compensation expenses of \$2.4 million.

During the fiscal year-to-date period ended June 30, 2018, net cash used in investing activities was \$8.9 million for capital expenditures.

During the fiscal year-to-date period ended June 30, 2018, net cash used in financing activities was \$2.8 million, primarily as a result of borrowings under the revolving line of credit of \$30.2 million and \$0.9 million received upon the issuance of shares of common stock related to the exercise of stock options. Offsetting these increases in cash were the tax withholding payments reimbursed by restricted shares of \$1.8 million, payment of \$2.8 million of cash dividends to shareholders, repayment of \$8.8 million under the revolving line of credit, and \$20.4 million of repurchases of common stock.

Indebtedness

We are party to a credit agreement that provides us with a \$125.0 million revolving credit facility and a \$15.0 million sublimit for the issuance of letters of credit. We may use the proceeds of the revolving credit facility to provide working capital and for other general corporate purposes. Generally, we may repay any borrowings under the revolving credit facility at any time, but must repay all borrowings no later than October 24, 2022. There was \$20.8 million in outstanding borrowings under this revolving line of credit as of June 30, 2018. During the month of July 2018, we repaid \$7.5 million in the U.S. and £2.5 million in the U.K. After these repayments, \$10 million of borrowings remain outstanding in the U.S. The remaining borrowings are expected to be repaid over the next 12 months in accordance with the terms of the agreement.

The amount available under this revolving line of credit is reduced by certain letters of credit outstanding, which amounted to \$3.9 million as of June 30, 2018. Borrowings under the revolving credit facility bear interest at a rate per annum, at our election, of either (i) the adjusted base rate, as defined in the credit agreement, plus an applicable margin, which varies between 0.25% and 1.25% depending on our total leverage ratio as determined under the credit agreement, or (ii) the adjusted eurocurrency rate, as defined in the credit agreement, plus an applicable margin, which varies between 1.25% and 2.25% depending on our total leverage ratio. We are required to pay a fee on the unused portion of the revolving credit facility at a rate per annum that varies between 0.20% and 0.35% depending on our total leverage ratio. Borrowings under the revolving credit facility are secured by 100% of the stock of certain of our U.S. subsidiaries and 65% of the stock of certain of our foreign subsidiaries, which represent approximately \$28.2 million in net assets as of June 30, 2018.

Under the credit agreement, we must comply with various financial and non-financial covenants. Compliance with these financial covenants is tested on a fiscal quarterly basis. Any indebtedness outstanding under the revolving credit facility may become immediately due and payable upon the occurrence of stated events of default, including our failure to pay principal, interest or fees or a violation of any financial covenant. The financial covenants require us to maintain an adjusted consolidated EBITDA to consolidated interest expense ratio of more than 2.5:1.0 and to comply with a consolidated debt to adjusted consolidated EBITDA ratio of not more than 3.0:1.0. The non-financial covenant restrictions of the senior credit agreement include, but are not limited to, our ability to incur additional indebtedness, engage in acquisitions or dispositions, and enter into business combinations.

Forgivable Loans and Term Loans

In order to attract and retain highly skilled professionals, we may issue forgivable loans or term loans to employees and non-employee experts. A portion of these loans is collateralized by key man life insurance. The forgivable loans have terms that are generally between three and eight years. The principal amount of forgivable loans and accrued interest is forgiven by us over the term of the loans, so long as the employee or non-employee expert continues employment or affiliation with us and complies with certain contractual requirements. The expense associated with the forgiveness of the principal amount of the loans is recorded as compensation expense over the service period, which is consistent with the term of the loans.

Compensation Arrangements

We have entered into compensation arrangements for the payment of incentive performance awards to certain of our non-employee experts and employees if specific performance targets are met. The amounts of the awards to be paid under these compensation arrangements could fluctuate depending on future performance through the respective measurement periods. Changes in the estimated award are expensed prospectively over the remaining service period. We believe that we will have sufficient funds to satisfy any obligations related to the incentive performance awards. We expect

to fund these payments, if any, from existing cash resources, cash generated from operations, or borrowings on our existing revolving credit facility.

Business Acquisitions

As part of our business, we regularly evaluate opportunities to acquire other consulting firms, practices or groups or other businesses. In recent years, we have typically paid for acquisitions with cash, or a combination of cash and our common stock, and we may continue to do so in the future. To pay for an acquisition, we may use cash on hand, cash generated from our operations, borrowings under our revolving credit facility, or we may pursue other forms of financing. Our ability to secure short-term and long-term debt or equity financing in the future, including our ability to refinance our current senior loan agreement, will depend on several factors, including our future profitability, the levels of our debt and equity, restrictions under our existing revolving line of credit with our bank, and the overall credit and equity market environments. See Note 6 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for further details of the C1 acquisition in 2017.

Share Repurchases

On May 3, 2017 and February 15, 2018, we announced our Board of Directors approved share repurchase programs of up to \$20.0 million, and \$20.0 million, respectively, of our common stock. We may repurchase shares under these programs in open market purchases (including through any Rule 10b5-1 plan adopted by us) or in privately negotiated transactions in accordance with applicable insider trading and other securities laws and regulations. During the fiscal quarter and fiscal year-to-date period ended June 30, 2018, we repurchased and retired 215,585 shares and 378,477 shares, respectively, under these share repurchase programs at an average price per share of \$55.99 and \$53.90, respectively. During the fiscal quarter and fiscal year-to-date period ended July 1, 2017, we repurchased and retired 389,079 shares under these share repurchase programs at an average price per share of \$34.63. As of June 30, 2018, there was approximately \$9.1 million available for future repurchases under these programs. We will finance these programs with available cash, cash from future operations and funds from our existing revolving credit facility. We expect to continue repurchasing shares under these programs.

Dividends to Shareholders

We anticipate paying regular quarterly dividends each year. These dividends are anticipated to be funded through cash flow from operations, available cash on hand, and/or borrowings under our revolving credit facility. Although we anticipate paying regular quarterly dividends on our common stock for the foreseeable future, the declaration of any future dividends is subject to the discretion of our board of directors.

Impact of Inflation

To date, inflation has not had a material impact on our financial results. There can be no assurance, however, that inflation will not adversely affect our financial results in the future.

Future Capital and Liquidity Needs

We anticipate that our future capital and liquidity needs will principally consist of funds required for:

- operating and general corporate expenses relating to the operation of our business, including the compensation of our employees under various annual bonus or long-term incentive compensation programs;
- the hiring of individuals to replenish and expand our employee base;

- capital expenditures, primarily for information technology equipment, office furniture and leasehold improvements;
- debt service and repayments, including interest payments on borrowings from our revolving credit facility;
- share repurchases;
- dividends to shareholders;
- potential acquisitions of businesses that would allow us to diversify or expand our service offerings;
- contingent obligations related to our acquisitions; and
- other known future contractual obligations.

The hiring of individuals to replenish and expand our employee base is an essential part of our business operations and has historically been funded principally from operations. Many of the other above activities are discretionary in nature. For example, capital expenditures can be deferred, acquisitions can be forgone, and share repurchase programs and regular dividends can be suspended. As such, our operating model provides flexibility with respect to the deployment of cash flow from operations. Given this flexibility, we believe that our cash flows from operations, supplemented by cash on hand and borrowings under our bank credit facility (as necessary), will provide adequate cash to fund our cash needs from normal operations for at least the next 12 months.

Our conclusion that we will be able to fund our cash requirements by using existing capital resources and cash generated from operations does not take into account the impact of any future acquisition transactions or any unexpected significant changes in the number of employees or other expenditures that are currently not contemplated. The anticipated cash needs of our business could change significantly if we pursue and complete additional business acquisitions, if our business plans change, if economic conditions change from those currently prevailing or from those now anticipated, or if other unexpected circumstances arise that have a material effect on the cash flow or profitability of our business. Any of these events or circumstances, including any new business opportunities, could involve significant additional funding needs in excess of the identified currently available sources and could require us to raise additional debt or equity funding to meet those needs on terms that may be less favorable compared to our current sources of capital. Our ability to raise additional capital, if necessary, is subject to a variety of factors that we cannot predict with certainty, including:

- our future profitability;
- the quality of our accounts receivable;
- our relative levels of debt and equity;
- the volatility and overall condition of the capital markets; and
- the market prices of our securities.

Contractual Obligations

On August 16, 2017, we entered into a second amendment to our lease with BP Hancock LLC, as landlord, for our office space located at 200 Clarendon Street, Boston, Massachusetts. Under the amendment, we will lease 28,757 square feet of office space on the building's 11th floor, in addition to the 67,659 square feet of office space we currently lease on the building's 9th, 10th and 25th floors. The landlord expects to deliver possession of the new space on or before April 1, 2019. If we do not have possession of the new space by April 1, 2020 and certain other conditions are not satisfied, the amendment gives us a right to terminate the lease with respect to the space on the 11th floor. The

amendment also extends the base term of the lease for an additional five years ending on July 31, 2030. Beginning six months after the landlord delivers possession of the new space on the 11th floor to us or, if earlier, when we commence operations in the new space, the annual base rent for the new space through the end of the lease's base term, exclusive of customary operating costs and expenses, will be approximately \$1.9 million per year, subject to annual increases of approximately 1.7% per year. Beginning on August 1, 2025, the annual fixed rent for the 9th and 10th floors will be payable at the same rate per square foot then in effect for the 11th floor. The amendment includes a tenant improvement allowance of approximately \$2.9 million. Subject to certain conditions, the lease will be extendable for two additional five-year periods. The amendment also gives us the right to terminate our lease of 10,057 square feet of office space on the building's 25th floor effective as of the date on which we begin paying rent for the 11th floor. On May 24, 2018, we notified the landlord of our intent to terminate the lease of the 25th floor effective as of the rent commencement date of the second amendment, which is expected to occur on or before October 1, 2019.

On June 27, 2018, we entered into a third amendment to our lease with BP Hancock LLC for an additional 14,097 square feet of office space on the 12th floor of our Boston office building. The landlord expects to deliver possession of the new space on or before May 1, 2019. If we do not have possession of the new space on the 12th floor by May 1, 2020 and certain other conditions are not satisfied, the amendment gives us a right to terminate the lease with respect to the new space. The third amendment is coterminous with the lease for the 9th, 10th and 11th floors, ending on July 31, 2030. Beginning six months after the landlord delivers possession of the new space on the 12th floor to us or, if earlier, when we commence operations in the new space, the annual base rent for the new space through the end of the lease's base term, exclusive of customary operating costs and expenses, will be approximately \$1.0 million per year, subject to annual increases of approximately 1.6% per year. The amendment includes a tenant improvement allowance of approximately \$1.2 million. The amendment also gives us a right of first offer to rent certain additional office space in the building if it becomes available.

Factors Affecting Future Performance

Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this Quarterly Report on Form 10-Q, as well as a description of material risks we face, are set forth under the heading "Risk Factors" included in Part I—Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 30, 2017 filed with the SEC on March 12, 2018. If any of these risks, or any risks not presently known to us or that we currently believe are not significant, develops into an actual event, then our business, financial condition, and results of operations could be adversely affected.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

For information regarding our exposure to certain market risks see "Item 7A. Quantitative and Qualitative Disclosures about Market Risk," in our Annual Report on Form 10-K for the fiscal year ended December 30, 2017 filed with the SEC on March 12, 2018.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our President and Chief Executive Officer and our Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. This is done in order to ensure that information we are required to disclose in the reports that are filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and

reported within the time periods specified in the SEC's rules and forms. Based upon that evaluation, our President and Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of June 30, 2018, due to the material weaknesses in internal control over financial reporting related to the inadequate design and execution of controls over non-routine technical accounting matters and information technology general controls ("ITGC") related to program changes to our accounting software. In addition, despite the significant efforts made during the fiscal year ended December 30, 2017 to remediate our previously identified material weaknesses, the material weakness in internal controls over ITGC prevented us from remediating the material weaknesses in internal controls over financial reporting in respect of revenue and related reserve processes and compensation-related processes described in Item 9A of our Annual Report on Form 10-K for the fiscal year ended December 30, 2017.

Notwithstanding these material weaknesses, management has concluded that the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q present fairly, in all material aspects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States.

Evaluation of Changes in Internal Control over Financial Reporting

Under the supervision and with the participation of our management, including our President and Chief Executive Officer and Chief Financial Officer, we evaluated whether there were any changes in our internal control over financial reporting during the first half of fiscal 2018. Except for the ongoing remediation of the material weaknesses in internal controls over financial reporting noted above pursuant to the plans described in Item 9A of our Annual Reports on Form 10-K for the fiscal years ended December 31, 2016 and December 30, 2017, respectively, there were no changes in our internal control over financial reporting identified in connection with the above evaluation that occurred during the second quarter of fiscal 2018, except those disclosed below, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

On December 31, 2017, we implemented ASC 606, *Revenue from Contracts with Customers*. Although the new revenue standard did not have a material impact on our ongoing net income, we did implement changes to our processes related to revenue recognition and the control activities within them. These included the development of new policies based on the five-step model provided in the new revenue standard, new training, ongoing contract review requirements, and gathering of information provided for disclosures.

Plan for Remediation of Material Weakness

We are committed to remediating the control deficiencies that gave rise to the material weaknesses described above. Management is responsible for implementing changes and improvements to our internal control over financial reporting and for remediating the control deficiencies that gave rise to these material weaknesses. During fiscal 2018, we have enhanced our system of internal controls over financial reporting with the following actions:

- Maintaining the Special Internal Controls Committee to guide our remediation efforts;
- Establishment of an enhanced program change management policy, process and controls over information technology systems, databases, applications and reports created from certain key systems used in the financial reporting process;
- Continued strengthening of our accounting policies, procedures, controls and formalized documentation of our control policies, in addition to the execution thereof; and
- Engagement of a third party to assist in the design and development of our information technology capabilities, processes and systems.

Important Considerations

The effectiveness of our disclosure controls and procedures and our internal control over financial reporting is subject to various inherent limitations, including judgments used in decision making, assumptions about the likelihood of future events, the soundness of our systems, the possibility of human error, and the risk of fraud. Moreover, projections of any evaluation of effectiveness with respect to future periods are subject to the risk that controls may become inadequate because of changes in conditions and the risk that the degree of compliance with policies or procedures may deteriorate over time. Because of these limitations, there can be no assurance that any system of disclosure controls and procedures or internal control over financial reporting will be successful in preventing all errors or fraud or in making all material information known in a timely manner to the appropriate levels of management.

PART II. OTHER INFORMATION**ITEM 1. Legal Proceedings**

None.

ITEM 1A. Risk Factors

There has been no material change in any risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 30, 2017 filed with the SEC on March 12, 2018. See "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 30, 2017 for a complete description of the material risks we face.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Not applicable.

(b) Not applicable.

(c) The following table provides information about our repurchases of shares of our common stock during the fiscal quarter ended June 30, 2018. During that period, we did not act in concert with any affiliate or any other person to acquire any of our common stock and, accordingly, we do not believe that purchases by any such affiliate or other person (if any) are reportable in the following table. For purposes of this table, we have divided the fiscal quarter into three periods of four weeks, four weeks, and five weeks, respectively, to coincide with our reporting periods during the second quarter of fiscal 2018.

Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares Purchased(1)	(b) Average Price Paid per Share(1)	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d)
				Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs(1)
April 1, 2018 to April 28, 2018	215,585	\$ 55.99	215,585	\$ 9,093,724
April 29, 2018 to May 26, 2018	—	—	—	\$ 9,093,724
May 27, 2018 to June 30, 2018	—	—	—	\$ 9,093,724

- (1) On May 3, 2017 and February 15, 2018, we announced that our Board of Directors had approved share repurchase programs of up to \$20.0 million and \$20.0 million, respectively, of our common stock. We may repurchase shares under any of these programs in open market purchases (including through any

Rule 10b5-1 plan adopted by us) or in privately negotiated transactions in accordance with applicable insider trading and other securities laws and regulations. During the four weeks ended April 28, 2018, we repurchased and retired 215,585 shares under these programs at an average price per share of \$55.99. Approximately \$9.1 million was available for future repurchases under these programs as of June 30, 2018. We expect to continue to repurchase shares under these programs.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

None.

ITEM 5. Other Information

None.

ITEM 6. EXHIBIT INDEX

<u>Item No.</u>	<u>Description</u>
10.1	Second Amendment to Lease dated as of August 16, 2017 by and between CRA International, Inc. and BP Hancock LLC.
10.2	Third Amendment to Lease dated as of June 27, 2018 by and between CRA International, Inc. and BP Hancock LLC.
10.3*	Form of Restricted Stock Agreement for Non-Employee Director Award Pursuant to Section 6.9 of the 2006 Equity Incentive Plan, as amended.
10.4*	Form of Restricted Stock Agreement for Employee or Independent Contractor Award under the 2006 Equity Incentive Plan, as amended.
31.1	Rule 13a-14(a)/15d-14(a) certification of principal executive officer
31.2	Rule 13a-14(a)/15d-14(a) certification of principal financial officer
32.1	Section 1350 certification
101	The following financial statements from CRA International, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2018, formatted in XBRL (eXtensible Business Reporting Language), as follows: (i) Condensed Consolidated Income Statements (unaudited) for the fiscal quarters and the fiscal year-to-date periods ended June 30, 2018 and July 1, 2017, (ii) Condensed Consolidated Statements of Comprehensive Income (unaudited) for the fiscal quarters and the fiscal year-to-date periods ended June 30, 2018 and July 1, 2017, (iii) Condensed Consolidated Balance Sheets (unaudited) as at June 30, 2018 and December 30, 2017, (iv) Condensed Consolidated Statements of Cash Flows (unaudited) for the fiscal year-to-date periods ended June 30, 2018 and July 1, 2017, (v) Condensed Consolidated Statement of Shareholders' Equity (unaudited) for the fiscal year-to-date period ended June 30, 2018, and (vi) Notes to Condensed Consolidated Financial Statements (Unaudited).

* Management contract or compensatory plan

SECOND AMENDMENT TO LEASE

SECOND AMENDMENT TO LEASE dated as of this 16th day of August, 2017 by and between BP HANCOCK LLC, a Delaware limited liability company ("Landlord") and CRA INTERNATIONAL, INC., a Massachusetts corporation ("Tenant").

RECITALS

By Lease dated February 24, 2014 (the "Original Lease"), Landlord did lease to Tenant, and Tenant did hire and lease from Landlord, certain premises containing approximately 57,602 rentable square feet of space (referred to in the Original Lease as the "Rentable Area of the Premises" and hereinafter sometimes referred to as the "Rentable Floor Area of the Initial Premises") located on the ninth (9th) and tenth (10th) floors (referred to in the Original Lease as the "Premises" and hereinafter sometimes referred to as the "Initial Premises") in the building known as and numbered 200 Clarendon Street, Boston, Massachusetts (the "Building").

By First Amendment to Lease dated February 24, 2015 (the "First Amendment"), Landlord did lease to Tenant, and Tenant did hire and lease from Landlord, certain additional premises containing approximately 10,057 rentable square feet of space (referred to in the First Amendment as the "Rentable Floor Area of the Additional Premises" and hereinafter sometimes referred to as the Rentable Floor Area of the First Amendment Premises") located on the twenty-fifth (25th) floor of the Building (referred to in the First Amendment as the "Additional Premises" and hereinafter sometimes referred to as the "First Amendment Premises").

The Original Lease and the First Amendment are hereinafter sometimes referred to collectively as the "Lease", the Initial Premises and the First Amendment Premises are hereinafter sometimes referred to collectively as the "Existing Premises", and the Rentable Floor Area of the Initial Premises and the Rentable Floor Area of the First Amendment Premises are hereinafter sometimes referred to collectively as the "Rentable Floor Area of the Existing Premises".

Tenant has agreed to lease from Landlord an additional 28,757 square feet of rentable square feet of space (the "Rentable Floor Area of the Second Amendment Premises") located on the eleventh (11th) floor of the Building, which space is shown on Exhibit A attached hereto and made a part hereof (the "Second Amendment Premises") upon all of the same terms and conditions set forth in the Lease except as set forth in this Second Amendment.

Landlord and Tenant have further agreed to extend the Term of the Lease for one (1) period of five (5) years on the terms and conditions set forth in this Second Amendment.

Landlord and Tenant are entering into this instrument to set forth said leasing of the Second Amendment Premises, to extend the Term of the Lease and to further amend the Lease.

200 Clarendon Street\Amendments\CRA Second Amendment(D)

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NOW THEREFORE, in consideration of One Dollar (\$1.00) and other good and valuable consideration in hand this date paid by each of the parties to the other, the receipt and sufficiency of which are hereby severally acknowledged, and in further consideration of the mutual promises herein contained, Landlord and Tenant hereby agree to and with each other as follows:

1. (A) Effective as of the Second Amendment Premises Commencement Date (as defined in Section 1(B) below), the Second Amendment Premises shall constitute a part of the "Premises" demised to Tenant under the Lease, so that the Premises shall include both the Existing Premises and the Second Amendment Premises and shall contain a total of 96,416 square feet of rentable floor area.
- (B) For purposes hereof, the "Second Amendment Premises Commencement Date" shall be the day on which the Second Amendment Premises are delivered by Landlord to Tenant in broom-clean condition, free and clear of all other tenants, occupants, furniture and fixtures, and in the condition described in Section 7(A) below. Landlord currently estimates that the Second Amendment Premises Commencement Date will occur on or before April 1, 2019. Tenant shall have no claim against Landlord for failure to deliver the Second Amendment Premises by any given date, except as hereinafter set forth. Landlord shall give Tenant thirty (30) days' written notice of the anticipated delivery date of the Second Amendment Premises. As soon as may be convenient after the Second Amendment Premises Commencement Date and the Second Amendment Premises Rent Commencement Date (as defined in Section 5(C) below) have been determined, Landlord and Tenant agree to join with each other in the execution of a written Commencement Date Agreement in substantially the form attached as Exhibit E to the Original Lease. If Tenant shall fail to execute such Agreement, the Second Amendment Premises Commencement Date and Second Amendment Premises Rent Commencement Date shall be as reasonably determined by Landlord in accordance with the terms of the Lease.
- (C) Anything to the contrary contained in the Lease notwithstanding, if the Second Amendment Premises Commencement Date shall not have occurred by April 1, 2020 (the "Outside Delivery Date") for any reason other than the fault or delay of Tenant, then Tenant shall have the right to terminate this Second Amendment by giving notice to Landlord of Tenant's desire to do so before the Second Amendment Premises are delivered to Tenant and within the time period from the Outside Delivery Date until the date which is thirty (30) days subsequent to the Outside Delivery Date; and, upon the giving of such notice, this Second Amendment shall be null and void and of no further force or effect unless, within thirty (30) days after receipt of such notice, Landlord delivers the Second Amendment Premises in the condition required by Section 1(B) above; and except as provided in Section 1(D) below, such right of termination shall be Tenant's sole and exclusive remedy for Landlord's failure so to deliver the Second Amendment Premises within such time.
- (D) If the then occupant of the Second Amendment Premises wrongfully fails to deliver possession of such premises at the time when its tenancy is scheduled to expire, Landlord shall use reasonable efforts and due diligence (which shall be limited to the

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commencement and prosecution of an eviction proceeding within sixty (60) days after the date on which the hold-over commences, but shall not require the taking of any appeal) to evict such occupant from the Second Amendment Premises and to deliver possession thereof to Tenant. If such holding over continues past June 30, 2019, Tenant shall have the right to require Landlord to pay to Tenant one hundred percent (100%) of the net (i.e. net of the costs and expenses, including, attorneys' fees, incurred by Landlord in obtaining such Hold-Over Premium) amount of any Hold-Over Premium received by Landlord from such hold-over occupant for any period from and after July 1, 2019, when and if Landlord receives any such payment. For the purposes hereof, the term "Hold-Over Premium" shall be defined as the amount (if any) which a hold-over occupant of any portion of the Second Amendment Premises is required to pay to Landlord in respect of its hold-over in the premises (whether characterized as rent, damages, or use and occupation) in excess of the amount of fixed rent and other charges which the tenant under whom such occupant claims would have been required to pay to Landlord had the term of such tenant's lease been extended throughout the period of such hold-over at the same rental rate as such tenant was required to pay during the last month of its tenancy.

2. (A) The Term of the Lease with respect to the Initial Premises, which but for this Second Amendment is scheduled to expire on July 31, 2025, is hereby extended for a period of five (5) years commencing on August 1, 2025 and expiring on July 31, 2030 (the "Initial Premises Extended Term"), unless sooner terminated or extended in accordance with the provisions of the Lease, upon all the same terms and conditions contained in the Lease as herein amended.
 - (B) Subject to the provisions of Section 3 below, the Term of the Lease with respect to the First Amendment Premises shall continue to be as provided in the First Amendment.
 - (C) The Term of the Lease with respect to the Second Amendment Premises shall be the period commencing on the Second Amendment Premises Commencement Date and expiring on July 31, 2030 (the "Second Amendment Premises Term").
3. Provided that (x) as of the date that Tenant gives Landlord the Reduction Notice (as hereinafter defined) and (y) as of the Second Amendment Premises Rent Commencement Date (as that term is defined in Section 5(C) below), (i) no uncured monetary or material non-monetary Event of Default exists, and (ii) the Lease is still in full force and effect, Tenant shall have the option of surrendering the First Amendment Premises effective as of the Second Amendment Premises Rent Commencement Date by giving Landlord written notice (the "Reduction Notice") on or before July 1, 2018. If Tenant timely delivers the Reduction Notice, then as of the Second Amendment Premises Rent Commencement Date, (i) the Term of the Lease shall terminate solely with respect to the First Amendment Premises (but not with respect to the Initial Premises or the Second Amendment Premises), (ii) Tenant shall vacate the First Amendment Premises leaving the same in the condition required by this Lease upon the expiration or earlier termination of the Lease Term, (iii) the First Amendment Premises shall be removed from the Premises demised to Tenant under the Lease, and (iv) the "Rentable Floor Area of the

Premises" shall be reduced by the Rentable Floor Area of the First Amendment Premises and such reduced Rentable Floor Area of the Premises shall be used for purposes of calculating Tenant's payments for Annual Fixed Rent, electricity, real estate taxes and operating costs from and after the Second Amendment Premises Rent Commencement Date. As a further condition precedent to the surrender of the First Amendment Premises, Tenant shall pay to Landlord on a timely basis all Annual Fixed Rent, Tenant's share of operating costs, taxes and electricity, and other Additional Rent and other amounts due from Tenant relating to the First Amendment Premises (including, but not limited to, all past due amounts thereof) through the Second Amendment Premises Rent Commencement Date. In the event that Tenant's share of such operating costs, taxes and electricity, and such other Additional Rent and other amounts due through the Second Amendment Premises Rent Commencement Date is not finally determined as of the giving of the Reduction Notice, Tenant shall make payment on account as reasonably estimated by Landlord if so requested by Landlord and in any event Tenant shall make final payment of amounts due through the Second Amendment Premises Rent Commencement Date within thirty (30) days after final billing therefor by Landlord. In the event of overpayment by Tenant, Landlord shall refund such overpayment to Tenant within a reasonable period of time not to exceed thirty (30) days from the date of final adjustment of such costs herein provided.

Within a reasonable time following Tenant's delivery of the Reduction Notice, Landlord and Tenant agree to execute an appropriate amendment to this Lease to reflect the removal of the First Amendment Premises from the space demised from Landlord to Tenant under the Lease.

4. (A) Tenant shall have the right to exercise the extension options set forth in Section 3.2 of the Lease upon the expiration of the Initial Premises Extended Term as if such Initial Premises Extended Term was the Original Term of the Lease, subject to and in accordance with all of the terms and provisions of said Section 3.2 except as follows:
 - (i) Tenant's right to extend the Term of the Lease pursuant to Section 3.2 shall apply to both the Initial Premises and the Second Amendment Premises collectively, and not to either space independently; provided, however, that Tenant in its Exercise Notice in respect of either the first or second option to extend the Term may elect to extend the Term of the Lease with respect to less than the entirety of the Initial Premises and the Second Amendment Premises, so long as the space being retained (hereinafter the "Extension Premises") consists of two (2) full contiguous floors and the space being surrendered (the "Expiring Premises") consists of one (1) full floor. By way of example, the Extension Premises may be comprised of the ninth (9th) and tenth (10th) floors of the Building (in which case the Expiring Premises would be the eleventh (11th) floor) or the tenth (10th) and eleventh (11th) floors of the Building (in which case the Expiring Premises would be the ninth (9th) floor), but not the ninth (9th) and eleventh (11th) floors.

In the event that Tenant shall elect to extend the Term with respect solely to the Extension Premises designated by Tenant in its Exercise Notice, then as of the end of the then-current Term of the Lease (as it may have been previously extended), (i) the Term of the Lease shall terminate solely with respect to the Expiring Premises, (ii) Tenant shall vacate the Expiring Premises leaving the same in the condition required by this Lease upon the expiration or earlier termination of the Lease Term, (iii) the Expiring

Premises shall be removed from the Premises demised to Tenant under the Lease, and (iv) the “Rentable Floor Area of the Premises” shall be reduced by the rentable floor area of the Expiring Premises and such reduced Rentable Floor Area of the Premises shall be used for purposes of calculating Tenant’s payments for Annual Fixed Rent, electricity, real estate taxes and operating costs during the applicable extension option period. As a further condition precedent to the surrender of the Expiring Premises, Tenant shall pay to Landlord on a timely basis all Annual Fixed Rent, Tenant’s share of operating costs, taxes and electricity, and other Additional Rent and other amounts due from Tenant relating to the Expiring Premises (including, but not limited to, all past due amounts thereof) through the end of the then-current Term of the Lease. In the event that Tenant’s share of such operating costs, taxes and electricity, and such other Additional Rent and other amounts due through the end of the then-current Term of the Lease is not finally determined as of the giving of the Exercise Notice, Tenant shall make payment on account as reasonably estimated by Landlord if so requested by Landlord and in any event Tenant shall make final payment of amounts due through the end of the then-current Term of the Lease within thirty (30) days after final billing therefor by Landlord. In the event of overpayment by Tenant, Landlord shall refund such overpayment to Tenant within a reasonable period of time not to exceed thirty (30) days from the date of final adjustment of such costs herein provided.

- (ii) Tenant’s Exercise Notice must be given not earlier than twenty-one (21) nor later than eighteen (18) months prior to the expiration of the then-current Term of the Lease (as it may have been previously extended).

(B) Tenant’s right to extend the Term of the Lease with respect to the First Amendment Premises shall continue to be as set forth in Section 6 of the First Amendment; provided, however, that in the event that Latham has leased the First Amendment Premises, (x) Landlord shall have no further obligation to provide Tenant with the Substitute Additional Premises as set forth in said Section 6 of the First Amendment, and (y) the Term of the Lease with respect to the First Amendment Premises shall expire as of June 30, 2020 notwithstanding Tenant’s exercise of its right to extend under said Section 6.

- 5. (A) For that portion of the Lease Term prior to August 1, 2025, Annual Fixed Rent for the Initial Premises shall continue to be payable as set forth in the Original Lease.

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During the Initial Premises Extended Term, Annual Fixed Rent for the Initial Premises shall be payable at the same rate per square foot then in effect for the Second Amendment Premises in accordance with Section 5(C) below. By way of example, if the Second Amendment Premises Rent Commencement Date is October 1, 2019 and the Annual Fixed Rent for the Second Amendment Premises is \$65.00 per square foot for the period from October 1, 2024 through September 30, 2025, then (i) the Annual Fixed Rent for the Initial Premises would be \$65.00 per square foot for the period from August 1, 2025 through September 30, 2025 and (ii) the Annual Fixed Rent for both the Initial Premises and the Second Amendment Premises would be \$66.00 per square foot for the period from October 1, 2025 through September 30, 2026.

(B) Annual Fixed Rent for the First Amendment Premises shall continue to be payable as provided in the First Amendment.

(C) Commencing on the Second Amendment Premises Rent Commencement Date (as hereinafter defined), Annual Fixed Rent for the Second Amendment Premises Term shall be payable during the first Rent Year (as defined below) at the annual rate of \$1,725,420.00 (being the product of (x) \$60.00 and (y) the Rentable Floor Area of the Second Amendment Premises). During each subsequent Rent Year during the Second Amendment Premises Term, Annual Fixed Rent for the Second Amendment Premises shall increase by \$28,757.00 (being the product of (x) \$1.00 per square foot and (y) the Rentable Floor Area of the Second Amendment Premises) over the amount payable during the prior Rent Year.

For the purposes hereof:

- (i) The “Second Amendment Premises Rent Commencement Date” shall be that date which is the earlier to occur of (x) the date which is six (6) months following the Second Amendment Premises Commencement Date and (y) the date on which Tenant commences business operations in any portion of the Second Amendment Premises.
- (ii) The term “Rent Year” shall mean any twelve (12) month period during the Second Amendment Premises Term commencing as of the Second Amendment Premises Rent Commencement Date, or as of any anniversary of the Second Amendment Premises Rent Commencement Date, except that if the Second Amendment Premises Rent Commencement Date does not occur on the first day of a calendar month, then (i) the first Rent Year shall further include the partial calendar month in which the first anniversary of the Second Amendment Premises Rent Commencement Date occurs, and (ii) the remaining Rent Years shall be the successive twelve (12) month periods following the end of such first Rent Year.

(D) Annual Fixed Rent for the Initial Premises and the Second Amendment Premises during any extension option period (if exercised) shall be payable as set forth in Section

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3.2 of the Lease (as amended by Section 3 above). Annual Fixed Rent for the First Amendment Premises during any extension option period (if exercised) shall be payable as set forth in Section 6 of the First Amendment.

- 6. (A) Subject to Tenant’s delivery of the Reduction Notice in accordance with the provisions of Section 3 above, for purposes of computing Tenant’s payments for the “Tax Excess” (as defined in Section 6.2 of the Lease), Tenant’s payments for the “Operating Cost Excess” (as defined in Section 7.5 of the Lease) and Tenant’s payments for electricity (as determined pursuant to Section 5.2 of the Lease), for the portion of the Term on and after the Second Amendment Premises Commencement Date, the “Rentable Floor Area of the Premises” shall comprise a total of 96,416 square feet including both the Rentable Floor Area of the Existing Premises (being 67,659 square feet) and the Rentable Floor Area of the Second Amendment Premises (being 28,757 square feet). For the portion of the Lease Term prior to the Second Amendment Premises Commencement Date, the “Rentable Floor Area of the Premises” shall continue to be the Rentable Floor Area of the Existing Premises for such purposes.

(B) For purposes of determining Tenant's payments for the Tax Excess and the Operating Cost Excess solely with respect to the Second Additional Premises Commencement Date (but not with respect to the Existing Premises):

- (i) "Base Taxes" shall mean Landlord's Tax Expenses (as defined in Section 6.1(e) of the Lease) for fiscal tax year 2020 (that is the period beginning July 1, 2019 and ending June 30, 2020).
- (ii) "Base Operating Expenses" shall mean Landlord's Operating Expenses (as defined in Section 7.4 of the Lease) for calendar year 2019 (that is the period beginning January 1, 2019 and ending December 31, 2019).

7. (A) Tenant agrees to accept the Second Amendment Premises in "as is" condition and Landlord shall have no obligation to perform any additions, alterations or demolition in the Second Amendment Premises and Landlord shall have no responsibility for the installation or connection of Tenant's telephone or other communications equipment or systems. For the avoidance of doubt, it is acknowledged and agreed that Landlord shall not be responsible for any Landlord's Work including without limitation any Landlord's Delivery Work (as those terms are defined in the Original Lease) with respect to the Second Amendment Premises or, except as specifically provided in this Section 7 below, for the payment of any Second Amendment Allowances with respect to the Second Amendment Premises or this Second Amendment.

(B) Landlord shall provide to Tenant a special allowance of Two Million One Hundred Fifty-Six Thousand Seven Hundred Seventy-Five and 00/100 Dollars (\$2,156,775.00) (the "Second Amendment Allowance") to be used and applied by Tenant solely on account of the cost of the work to be performed by Tenant to prepare the Second Amendment Premises for its use and occupancy (the "Second Amendment Tenant's Work"). Tenant shall be entitled to request that Landlord disburse portions of

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the Second Amendment Allowance from time to time, but no more frequently than monthly, during the performance of the Second Amendment Tenant's Work. It shall be a condition to Landlord's payment of any installment of the Second Amendment Allowance that Tenant (i) has completed all of such Second Amendment Tenant's Work that is the subject of such requisition in accordance with the terms of the Lease, (ii) has paid for all of such Second Amendment Tenant's Work in full and has delivered to Landlord lien waivers from all persons who might have a lien as a result of such work, in the recordable forms attached to the Original Lease as Exhibit G, (iii) with respect to any final installment, has executed the Commencement Date Agreement with respect to the Second Amendment Premises Commencement Date as contemplated by Section 1(B) above, (iv) has delivered to Landlord its certificate specifying the cost of such Second Amendment Tenant's Work that is the subject of such requisition, together with evidence of such cost in the form of paid invoices, receipts and the like, (v) with respect to any final installment, has delivered to Landlord a final set of record drawings for Second Amendment Tenant's Work, (vi) has satisfied the requirements of (i) through (v) above and made request for such payment on or before the date that is one (1) year from the Second Amendment Premises Commencement Date, (vii) is not otherwise in default under the Lease, and (viii) there are no liens (unless bonded to the reasonable satisfaction of Landlord) against Tenant's interest in the Lease or against the Building or the Property arising out of Second Amendment Tenant's Work or any litigation in which Tenant is a party. Within thirty (30) days after the satisfaction of the foregoing conditions with respect to any requested installment, Landlord shall pay to Tenant, or, at Tenant's option, directly to Tenant's contractor, Landlord's Share (as hereinafter defined) of such installment. For the purposes hereof, "Landlord's Share" shall mean that same proportion of the amount shown on Tenant's disbursement request as the Second Amendment Allowance bears to the total cost of the Second Amendment Tenant's Work (as set forth in a budget to be submitted by Tenant to Landlord prior to Tenant's first request for a disbursement of the Second Amendment Allowance hereunder).

In connection with the foregoing, it is understood and agreed that Tenant may utilize up to a maximum of Two Hundred Fifteen Thousand Six Hundred Seventy-Seven and 50/100 Dollars (\$215,677.50) of the Second Amendment Allowance towards the costs of architectural and engineering fees and permit costs associated with the Second Amendment Tenant's Work and to any wiring and cabling being installed as part of the Second Amendment Tenant's Work, so long as all of the conditions to application of the Second Amendment Allowance set forth herein have been satisfied (including, without limitation, the requirement that the Second Amendment Allowance be utilized on or before the date which is one (1) year from the Second Amendment Premises Commencement Date).

Notwithstanding the foregoing, Landlord shall be under no obligation to apply any portion of the Second Amendment Allowance for any purposes other than as provided in this Section 7(B), nor shall Landlord be deemed to have assumed any obligations, in whole or in part, of Tenant to any contractors, subcontractors, suppliers, workers or materialmen. Further, the Second Amendment Allowance shall only be applied towards the cost of leasehold improvements and in no event shall Landlord be required to make

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application of any portion of the Second Amendment Allowance towards Tenant's personal property, trade fixtures or moving expenses or on account of any supervisory fees, overhead, management fees or other payments to Tenant, or any partner or affiliate of Tenant.

In the event that such cost of Second Amendment Tenant's Work is less than the Second Amendment Allowance, Tenant shall not be entitled to any payment or credit nor shall there be any application of the same toward Annual Fixed Rent or Additional Rent owed by Tenant under the Lease. Landlord shall be entitled to deduct from the Second Amendment Allowance an amount equal to any third party expenses incurred by Landlord to review the Second Amendment Tenant's Work.

(C) In addition, Landlord shall provide to Tenant (i) an allowance of Two Hundred Eighty-Seven Thousand Five Hundred Seventy and 00/100 Dollars (\$287,570.00) (the "Demolition and Renovation Allowance") to be used solely towards (x) the cost of demolition work in the Second Amendment Premises and/or (y) the cost of renovating the existing restrooms with the Second Amendment Premises (the "Demolition and Renovation Work") as part of the Second Amendment Tenant's Work and (ii) an allowance of Four Hundred Thirty-Two Thousand Fifteen and 00/100 Dollars (\$432,015.00) (the "Refurbishment Allowance") to be used solely towards (x) the cost of the Second Amendment Tenant's Work and/or (y) the cost of renovations to be performed in the Initial Premises (collectively, the "Refurbishment Work"). In connection therewith, it is understood and agreed that the Demolition and Renovation Allowance may be applied solely towards the cost of the Demolition and Renovation Work and the Refurbishment Allowance may be applied solely towards the cost of the Refurbishment Work, and to the extent Tenant does not fully utilize the Demolition and Renovation Allowance and/or the Refurbishment Allowance, as the case may be, Tenant shall not be entitled to apply any unused portions of either such allowance towards the costs of any other portion of the Second Amendment Tenant's Work nor shall Tenant be

entitled to any credit on account thereof. The Demolition and Renovation Allowance and the Refurbishment Allowance shall be disbursed to Tenant in the same manner as the Second Amendment Allowance, and shall otherwise be subject to all of the requirements of Section 7(B) above applicable to the Second Amendment Allowance; provided, however, that:

- (1) Tenant may utilize up to a maximum of Twenty-Eight Thousand Seven Hundred Fifty-Seven and 00/100 Dollars (\$28,757.00) of the Demolition and Renovation Allowance towards the costs of architectural and engineering fees and permit costs associated with the Demolition and Renovation Work and to any wiring and cabling being installed as part of the Demolition and Renovation Work, so long as all of the conditions to application of the Demolition and Renovation Allowance set forth herein have been satisfied (including, without limitation, the requirement that the Demolition and Renovation Allowance be utilized on or before the date which is one (1) year from the Second Amendment Premises Commencement Date).

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- (2) Tenant may utilize up to a maximum of Forty-Three Thousand Two Hundred One and 50/100 Dollars (\$43,201.50) of the Refurbishment Allowance towards the costs of architectural and engineering fees and permit costs associated with the Refurbishment Work and to any wiring and cabling being installed as part of the Refurbishment Work, so long as all of the conditions to application of the Refurbishment Allowance set forth herein have been satisfied (including, without limitation, the requirement that the Refurbishment Allowance be utilized on or before the date which is one (1) year from the Second Amendment Premises Commencement Date).
- (3) For the purposes of disbursing the Demolition and Renovation Allowance, Landlord's Share shall be measured against the total cost of the Demolition and Renovation Work.
- (4) For the purposes of disbursing the Refurbishment Allowance, Landlord's Share shall be measured against the total cost of the Second Amendment Tenant's Work.

8. The total of the (i) the Second Amendment Allowance, (ii) the Demolition and Renovation Allowance and (iii) the Refurbishment Allowance is acknowledged to be Two Million Eight Hundred Seventy-Six Thousand Three Hundred Sixty and 00/100 Dollars (\$2,876,360.00).
9. Section 2.3(A) of the Lease is hereby amended by deleting the number "57,000" in the tenth (10th) line thereof and substituting the number "75,000" therefor.
10. Effective as of the Second Amendment Premises Commencement Date, Landlord shall provide Tenant with (i) an additional eleven (11) monthly parking privileges in the 100 Clarendon Garage, for a total of thirty-eight (38) monthly parking privileges in the 100 Clarendon Garage under the Lease, and (ii) an additional two (2) Reserved Spaces in the Building Garage, for a total of six (6) Reserved Spaces in the Building Garage under the Lease.
11. As of the Second Amendment Premises Commencement Date, Section 9.1.1(iii) of the Lease shall be deleted in its entirety and the following shall be substituted in its place: "(iii) the cost of any individual alteration, addition or improvement shall not exceed \$225,000.00; and". In addition, it is acknowledged and agreed that the provisions of Section 9.5(c) of the Lease shall be deemed to apply to the Second Amendment Premises, including, without limitation, clause (iii) thereof which will not require Tenant to remove Cabling from the Second Amendment Premises consistent with the parameters stated therein; provided, however, that said Section 9.5(c) shall not be construed to apply to any future internal staircases that may be installed in the Premises.

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12. (A) It is acknowledged and agreed that Landlord is currently holding a letter of credit in the amount of One Million and 00/100 Dollars (\$1,000,000.00) (the "Letter of Credit") as security for Tenant's obligations under the Lease in accordance with the terms and provisions of Section 16.26 of the Lease. Concurrently with the execution of this Second Amendment, Tenant shall deliver to Landlord either (x) an amendment to the Letter of Credit increasing the total amount secured by the Letter of Credit to One Million Five Hundred Seventy-Five Thousand One Hundred Forty and 00/100 Dollars (\$1,575,140.00) or (y) a replacement Letter of Credit in the amount of One Million Five Hundred Seventy-Five Thousand One Hundred Forty and 00/100 Dollars (\$1,575,140.00), in either case meeting the requirements of said Section 16.26.

(B) Upon receipt by Landlord of the amendment to the Letter of Credit or the replacement Letter of Credit referenced in subsection (A) above, Section 16.26 of the Lease shall be amended as follows:

- (i) Section 16.26(B) shall be deleted in its entirety and the following substituted therefor:

"Landlord shall return a Nine Hundred Eight Thousand Four Hundred Seventy-Three and 00/100 Dollar (\$908,473.00) portion of such deposit to Tenant so that the remainder of such deposit shall be Six Hundred Sixty-Six Thousand Six Hundred Sixty-Seven and 00/100 Dollars (\$666,667.00) (or if such deposit is in the form of a Letter of Credit, Landlord shall exchange the Letter of Credit for a Letter of Credit delivered by Tenant which reduces the amount secured by the Letter of Credit by the amount stated hereinabove and otherwise in strict conformity with the requirements herein) on August 1, 2024 if Tenant has satisfied all of the Reduction Conditions (as defined in subsection (D) below)."

- (ii) Section 16.26(C) shall be deleted in its entirety and the following substituted therefor:

"Landlord shall return a Three Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 00/100 Dollar (\$333,333.00) portion of such deposit to Tenant so that the remainder of such deposit shall be Three Hundred Thirty-Three Thousand Three Hundred Thirty-Four and 00/100 Dollars (\$333,334.00) (or if such deposit is in the form of a Letter of Credit, Landlord shall exchange the Letter of Credit for a Letter of Credit delivered by Tenant which reduces the amount secured by the Letter of Credit

by the amount stated hereinabove and otherwise in strict conformity with the requirements herein) on August 1, 2026 if Tenant has satisfied all of the Reduction Conditions.”

13. (A) Tenant warrants and represents that Tenant has not dealt with any broker in connection with the consummation of this Second Amendment other than CBRE New England (the “Broker”) and in the event any claim is made against Landlord relative to

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dealings by Tenant with brokers other than the Broker, Tenant shall defend the claim against Landlord with counsel of Tenant’s selection first approved by Landlord (which approval will not be unreasonably withheld) and save harmless and indemnify Landlord on account of loss, cost or damage which may arise by reason of such claim.

(B) Landlord warrants and represents that Landlord has not dealt with any broker in connection with the consummation of this Second Amendment other than the Broker and in the event any claim is made against Tenant relative to dealings by Landlord with brokers other than the Broker, Landlord shall defend the claim against Tenant with counsel of Landlord’s selection first approved by Tenant (which approval will not be unreasonably withheld) and save harmless and indemnify Tenant on account of loss, cost or damage which may arise by reason of such claim.

14. Except as otherwise expressly provided herein, all capitalized terms used herein without definition shall have the same meanings as are set forth in the Lease.
15. Except as herein amended the Lease shall remain unchanged and in full force and effect. All references to the “Lease” shall be deemed to be references to the Lease as herein amended.
16. Each of Landlord and Tenant hereby represents and warrants to the other that all necessary action has been taken to enter this Second Amendment and that the person signing this Second Amendment on its behalf has been duly authorized to do so.
17. The parties acknowledge and agree that this Second Amendment may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, “electronic signature” shall include faxed versions of an original signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature.

[page ends here]

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EXECUTED as of the date and year first above written.

WITNESS:

/s/ Claire Donegan

LANDLORD:

BP HANCOCK LLC

By: Boston Properties Limited Partnership,
its sole member and manager

By: Boston Properties, Inc.,
its general partner

By: /s/ Bryan Koop
Name: Bryan Koop
Title: EVP

TENANT:

WITNESS:

/s/ Janet Just

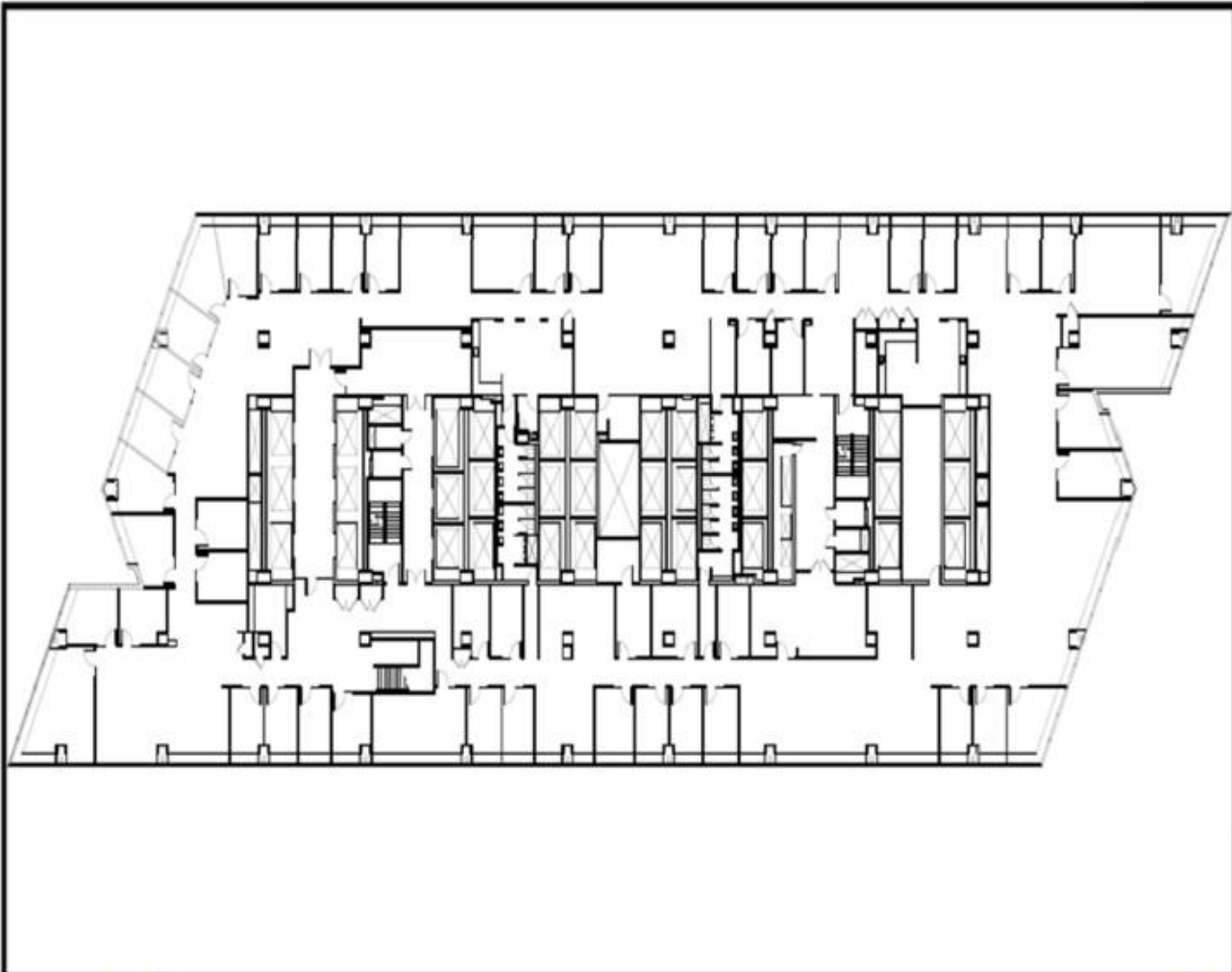
CRA INTERNATIONAL, INC.

By: /s/ Chad M. Holmes
Name: Chad M. Holmes
Title: CFO

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EXHIBIT A

Second Amendment Premises



bnp Boston Properties 11th FLOOR
200 CLARENDON STREET, BOSTON MA

8.02.17
EXISTING CONDITIONS

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THIRD AMENDMENT TO LEASE

This THIRD AMENDMENT TO LEASE (this “**Third Amendment**”) is made as of June 27, 2018 (the “**Effective Date**”) by and between BP HANCOCK LLC, a Delaware limited liability company (“**Landlord**”) and CRA INTERNATIONAL, INC., a Massachusetts corporation (“**Tenant**”).

RECITALS

A. By Lease dated February 24, 2014 (the “**Original Lease**”), Landlord did lease to Tenant, and Tenant did hire and lease from Landlord, certain premises containing approximately 57,602 rentable square feet of space (referred to in the Original Lease as the “**Rentable Area of the Premises**” and hereinafter sometimes referred to as the “**Rentable Floor Area of the Initial Premises**”) located on the entirety of the ninth (9th) and tenth (10th) floors (referred to in the Original Lease as the “**Premises**” and hereinafter sometimes referred to as the “**Initial Premises**”) in the building known and numbered as 200 Clarendon Street, Boston, Massachusetts (the “**Building**”).

B. By First Amendment to Lease dated February 24, 2015 (the “**First Amendment**”), Landlord did lease to Tenant, and Tenant did hire and lease from Landlord, certain additional premises containing approximately 10,057 rentable square feet of space (hereinafter referred to as the “**Rentable Floor Area of the First Amendment Premises**”) located on a portion of the twenty-fifth (25th) floor of the Building (referred to in the First Amendment as the “**Additional Premises**” and hereinafter sometimes referred to as the “**First Amendment Premises**”).

C. By Second Amendment to Lease dated August 16, 2017 (the “**Second Amendment**”), Landlord did lease to Tenant, and Tenant did hire and lease from Landlord, certain additional premises containing approximately 28,757 rentable square feet of space (hereinafter referred to as the “**Rentable Floor Area of the Second Amendment Premises**”) located on the entirety of the eleventh (11th) floor of the Building (referred to in the Second Amendment and to continue to be referred to in this Third Amendment as the “**Second Amendment Premises**”).

D. Tenant has agreed to lease from Landlord an additional 14,097 rentable square feet of space (the “**Rentable Floor Area of the Third Amendment Premises**”) located on a portion of the twelfth (12th) floor of the Building, which space is shown on Exhibit A attached hereto and made a part hereof (the “**Third Amendment Premises**”) upon all of the same terms and conditions set forth in the Lease, except as set forth in this Third Amendment.

E. The Original Lease, as amended by the First Amendment, the Second Amendment and this Third Amendment, are hereinafter sometimes referred to collectively as the “**Lease**.”

200 Clarendon Street - CRA International, Inc. - Third Amendment to Lease

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F. Tenant has exercised Tenant’s option under Section 3 of the Second Amendment to surrender the First Amendment Premises effective as of the Second Amendment Premises Rent Commencement Date.

G. Landlord and Tenant are entering into this instrument to memorialize the leasing of the Third Amendment Premises, the surrender of the First Amendment Premises and to further amend the Lease all as hereinafter set forth.

NOW, THEREFORE, in consideration of One Dollar (\$1.00) and other good and valuable consideration in hand this date paid by each of the parties to the other, the receipt and sufficiency of which are hereby severally acknowledged, and in further consideration of the mutual promises herein contained, Landlord and Tenant hereby agree to and with each other as follows:

1. Recitals; Capitalized Terms. All of the foregoing recitals are true and correct. Unless otherwise defined herein, all capitalized terms used in this Third Amendment shall have the meanings ascribed to them in the Lease, and all references herein or in the Lease to the “**Lease**” or “**this Lease**” or “**herein**” or “**hereunder**” or similar terms or to any section thereof shall mean the Lease, or such section thereof, as amended by this Third Amendment.

2. Lease of the Third Amendment Premises.

(A) Effective as of the Third Amendment Premises Commencement Date (as defined in Section 2(B) below), the Third Amendment Premises shall constitute a part of the “**Premises**” demised to Tenant under the Lease. Effective as of the later date to occur of (i) the 25th Floor Surrender Date (as hereinafter defined) and (ii) the Third Amendment Premises Commencement Date (but subject to any exercise by Tenant of its rights under Section 1(C) of the Second Amendment), the Premises shall include the Initial Premises, the Second Amendment Premises, and the Third Amendment Premises, and shall contain a total of 100,456 square feet of rentable floor area.

(B) For purposes hereof, the “**Third Amendment Premises Commencement Date**” shall be the day on which the Third Amendment Premises are delivered by Landlord to Tenant in broom-clean condition, free and clear of all other tenants, occupants, furniture and fixtures, and lawfully demised from the remainder of the twelfth (12th) floor of the Building. Landlord currently estimates that the Third Amendment Premises Commencement Date will occur on or before the May 1, 2019 and will use commercially reasonable efforts to cause the Third Amendment Premises Commencement Date to occur not later than one (1) month after the Second Amendment Premises Commencement Date (currently estimated to be April 1, 2019). Tenant shall have no claim against Landlord for failure to deliver the Third Amendment Premises by any given date. Landlord shall give Tenant thirty (30) days’ written notice of the anticipated delivery date of the Third Amendment Premises. As soon as may be convenient after the Third Amendment Premises Commencement Date and the Third Amendment Premises Rent Commencement Date (as hereinafter defined) have been determined, Landlord and Tenant agree to join with each other in the execution of a

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written Commencement Date Agreement in substantially the form attached as Exhibit E to the Original Lease. If Tenant shall fail to execute such Commencement Date Agreement, the Third Amendment Premises Commencement Date and Third Amendment Premises Rent Commencement Date shall be as reasonably determined by Landlord in accordance with the terms of this Third Amendment.

(C) If the Third Amendment Premises Commencement Date shall not have occurred by May 1, 2020 (the “**Outside Delivery Date**”) for any reason other than the fault or delay of Tenant, then Tenant shall have the right to terminate Tenant’s lease of the Third Amendment Premises pursuant to this Third Amendment by giving notice to Landlord of Tenant’s desire to do so before the Third Amendment Premises are delivered to Tenant; and, upon the giving of such notice, Tenant’s lease of the Third Amendment Premises pursuant to this Third Amendment shall be terminate unless, within thirty (30) days after receipt of such notice, Landlord delivers the Third Amendment Premises in the condition required by Section 2(E) below; and except as provided in Section 2(D) below, such right of termination shall be Tenant’s sole and exclusive remedy for Landlord’s failure so to deliver the Third Amendment Premises within such time.

(D) If the then occupant of the Third Amendment Premises wrongfully fails to deliver possession at the time when its tenancy is scheduled to expire, Landlord shall use reasonable efforts and due diligence (which shall be limited to the commencement and prosecution of an eviction proceeding within sixty (60) days after the date on which the hold-over commences, but shall not require the taking of any appeal) to evict such occupant from the Third Amendment Premises and to deliver possession thereof to Tenant. If such holding over continues past July 31, 2019, Tenant shall have the right to require Landlord to pay to Tenant one hundred percent (100%) of the net (i.e. net of the costs and expenses, including, attorneys’ fees, incurred by Landlord in obtaining such Hold-Over Premium) amount of any Hold-Over Premium received by Landlord from such hold-over occupant for any period from and after August 1, 2019, when and if Landlord receives any such payment. For the purposes hereof, the term “Hold-Over Premium” shall be defined as the amount (if any) which a hold-over occupant of any portion of the Third Amendment Premises is required to pay to Landlord in respect of its hold-over in the premises (whether characterized as rent, damages, or use and occupation) in excess of the amount of fixed rent and other charges which the tenant under whom such occupant claims would have been required to pay to Landlord had the term of such tenant’s lease been extended throughout the period of such hold-over same rental rate as such tenant was required to pay during the last month of its tenancy.

(E) Except for Landlord’s obligation to perform Landlord’s 12th Floor Common Area Work (as set forth in Section 6 of this Third Amendment), Tenant shall accept the Third Amendment Premises in “as is” “where is” condition and Landlord shall have no obligation to perform any additions, alterations or demolition in the Third Amendment Premises and Landlord shall have no responsibility for the installation or connection of Tenant’s telephone or other communications equipment or systems. For the avoidance of doubt, it is acknowledged and agreed that, except as specifically provided in Section 6 of this Third Amendment, Landlord shall not be responsible for any

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Landlord’s Work including without limitation any Landlord’s Delivery Work (as those terms are defined in the Original Lease) with respect to the Third Amendment Premises or, except as specifically provided in Section 6 below, for the payment of any tenant improvement allowances set forth in the Lease with respect to the Third Amendment Premises or this Third Amendment. Tenant acknowledges and agrees that the Third Amendment Premises is being delivered with access to and use of an interconnecting staircase connecting the Second Amendment Premises and the Third Amendment Premises installed by a prior tenant and Landlord makes no representation or warranty with respect to such interconnecting staircase. Landlord agrees that, except as otherwise set forth in Section 3 (B) below, Tenant shall not have any obligation under the Lease to remove this existing interconnecting staircase at the expiration or earlier termination of the Term.

3. Third Amendment Premises Term. The term of the Lease with respect to the Third Amendment Premises shall be the period commencing on the Third Amendment Premises Commencement Date and expiring coterminous with the Initial Premises and Second Amendment Premises on July 31, 2030 (the “**Third Amendment Premises Term**”), as the same may be extended pursuant to Section 3.2 of the Original Lease, as amended by Section 4(A) of the Second Amendment, except that clauses (i) of Section 4(A) of the Second Amendment is hereby deleted and the following inserted in place thereof:

“(i) Tenant’s right to extend the Term of the Lease pursuant to Section 3.2 of the Original Lease shall apply to the Initial Premises, the Second Amendment Premises, and the Third Amendment Premises collectively, and not to any of the spaces independently; provided, however, that Tenant in its Exercise Notice in respect of either the first or second option to extend the Term may elect to extend the Term of the Lease with respect to less than the entirety of the then Premises (the “**Extension Premises**”), provided Tenant may only elect to surrender either all of the leaseable space of the Premises located on either the lowest or the highest floor currently being leased by Tenant (the “**Expiring Premises**”). For clarification purposes, if Tenant were to exercise the first extension option so as to surrender the Expiring Premises, Tenant’s right to extend for less than the entire remaining Premises for the second extension option shall immediately terminate and be of no further force or effect. By way of example, the Expiring Premises may be comprised of all of the leasable floor area of the Premises located on the ninth (9th) floor or all of the leasable floor area of the Premises located on the twelfth (12th) floors of the Building. If Tenant elects to exercise the first extension option with any Expiring Premises, Tenant’s right to extend for the second extension option shall apply to the entire Extension Premises only. In the event that Tenant shall elect to extend the Term with respect solely to the Extension Premises designated by Tenant in its Exercise Notice, then as of the end of the then-current Term of the Lease (as it may have been previously extended), (1) the Term of the Lease shall terminate solely with respect to the Expiring Premises, (2) Tenant shall vacate the Expiring Premises leaving the same in the condition required by the Lease upon the expiration or earlier termination of the Lease Term, (3) the Expiring Premises shall be removed from the Premises demised to Tenant under the Lease, and (4) the “Rentable Floor Area

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of the Premises” shall be reduced by the rentable floor area of the Expiring Premises and such reduced Rentable Floor Area of the Premises shall be used for purposes of calculating Tenant’s payments for Annual Fixed Rent, electricity, real estate taxes and operating costs during the applicable extension option period. As a further condition precedent to the surrender of the Expiring Premises, Tenant shall pay to Landlord on a timely basis all Annual Fixed Rent, Tenant’s share of operating costs, taxes and electricity, and other Additional Rent and other amounts due from Tenant relating to the Expiring Premises (including, but not limited to, all past due amounts thereof) through the end of the then-current Term of the Lease. If the Extension Premises is comprised of the ninth (9th), tenth (10th), and eleventh (11th) floors of the Building, Tenant shall be responsible for removing the internal staircase located between the Second Amendment Premises and the Third Amendment Premises and installing a building standard floor/ceiling deck.

4. Annual Fixed Rent for the Third Amendment Premises.

(A) Commencing on the Third Amendment Premises Rent Commencement Date (as hereinafter defined), Annual Fixed Rent for the Third Amendment Premises Term shall be payable during the first 12th Floor Rent Year (as defined below) at the annual rate of \$881,062.50 (being the product of (w) \$62.50 and (x) the Rentable Floor Area of the Third Amendment Premises). During each subsequent 12th Floor Rent Year during the Third Amendment Premises Term, Annual Fixed Rent for the Third Amendment Premises shall increase by \$14,097.00 (being the product of (y) \$1.00 per square foot and (z) the Rentable Floor Area of the Third Amendment Premises) over the amount payable during the prior 12th Floor Rent Year.

For the purposes hereof:

(i) The “**Third Amendment Premises Rent Commencement Date**” shall be that date which is the earlier to occur of (x) the date which is six (6) months following the Third Amendment Premises Commencement Date, and (y) the date on which Tenant commences business operations in any portion of the Third Amendment Premises.

(ii) The term “**12th Floor Rent Year**” shall apply only with respect to the Third Amendment Premises and shall mean any twelve (12) month period during the Third Amendment Premises Term commencing as of the Third Amendment Premises Rent Commencement Date, or as of any anniversary of the Third Amendment Premises Rent Commencement Date, except that if the Third Amendment Premises Rent Commencement Date does not occur on the first day of a calendar month, then (i) the first 12th Floor Rent Year shall further include the partial calendar month in which the first anniversary of the Third Amendment Premises Rent Commencement Date occurs, and (ii) the remaining 12th Floor Rent Years

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shall be the successive twelve (12) month periods following the end of such first 12th Floor Rent Year.

(B) Annual Fixed Rent for the Third Amendment Premises during any extension option period (if exercised) shall be payable as set forth in Section 3.2 of the Original Lease (as amended by Section 4 of the Second Amendment).

5. Operating Excess, Tax Excess and Tenant Electricity.

(A) During (i) the Term of the Lease with respect to the Initial Premises (as extended pursuant to the Second Amendment) and (ii) the Second Amendment Premises Term with respect to the Second Amendment Premises, Tenant shall continue to pay Tax Excess (as defined in Section 6.2 of the Original Lease) and Operating Cost Excess (as defined in Section 7.5 of the Original Lease) with respect to the Initial Premises and the Second Amendment Premises in accordance with terms and conditions of the Original Lease, the First Amendment and the Second Amendment, as applicable to the portion of the Premises for which such Tax Excess and Operating Cost Excess are being calculated. Notwithstanding anything in the Second Amendment to the contrary, the Tax Excess and the Operating Cost Excess for the Second Amendment Premises shall be calculated separately from the Tax Excess and Operating Cost Excess for the Initial Premises and the First Amendment Premises which have different base years and shall be calculated in the manner set forth in the Lease but based upon the same proportion of Landlord’s Tax Expenses and Landlord’s Operating Expenses, as applicable, as the Rentable Floor Area of the Second Amendment Premises bears to the Total Rentable Floor Area of the Building and using the Base Taxes and Base Operating Expenses set forth in the Second Amendment.

(B) From and after the Third Amendment Premises Rent Commencement Date, Tenant shall pay Tax Excess and Operating Cost Excess for the Third Amendment Premises in accordance with and on the same terms as apply to the Initial Premises and the Second Amendment Premises, except that for such purposes (but not with respect to the Initial Premises and the Second Amendment Premises):

(i) “**Base Taxes**” shall mean Landlord’s Tax Expenses (as defined in Section 6.1(e) of the Original Lease) for fiscal tax year 2020 (that is the period beginning July 1, 2019 and ending June 30, 2020).

(ii) “**Base Operating Expenses**” shall mean Landlord’s Operating Expenses (as defined in Section 7.4 of the Original Lease) for calendar year 2019 (that is the period beginning January 1, 2019 and ending December 31, 2019).

(iii) Tax Excess for the Third Amendment Premises shall be calculated based upon the same proportion of Landlord’s Tax Expenses as the Rentable Floor Area of the Third Amendment Premises bears to the Total

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Rentable Floor Area of the Building and using the Base Taxes set forth in subclause (i) above.

(iv) Operating Cost Excess for the Third Amendment Premises shall be calculated based upon the same proportion of Landlord’s Operating Expenses as the Rentable Floor Area of the Third Amendment Premises bears to the Total Rentable Floor Area of the Building and using the Base Operating Expenses set forth in subclause (ii) above

(C) From and after the Third Amendment Premises Commencement Date, Tenant shall pay electricity costs for the Third Amendment Premises in accordance with the terms of Section 5.2 and Exhibit F of the Original Lease; provided, however, that notwithstanding anything to the contrary in Exhibit F, Tenant shall be required to install, at Tenant’s sole cost and expense, a check meter in the Third Amendment Premises prior to the Third Amendment Premises Commencement Date to monitor Tenant’s electrical usage. There is an existing check meter serving the Third Amendment Premises which Tenant may re-use if desired. Landlord makes no representation or warranty with respect to such check meter and Tenant, at Tenant’s sole cost and expense, is responsible for the maintenance of such check meter.

6. Common Area Work; Tenant Allowance.

(A) Landlord, at Landlord's sole cost and expense and without deduction from the Third Amendment Allowance (as hereinafter defined), shall construct a new common corridor and elevator lobby on the twelfth (12th) floor of the Building using building standard materials ("**Landlord's 12th Floor Common Area Work**"); provided, however, Landlord's 12th Floor Common Area Work is not a condition to the Third Amendment Premises Commencement Date and not entitle Tenant to any postponement or abatement of the Annual Fixed Rent or Additional Rent payable in respect of the Third Amendment Premises, in whole or in part. Landlord shall use commercially reasonable efforts to (i) substantially complete Landlord's 12th Floor Common Area Work on or before the date that is six (6) months following the Third Amendment Premises Commencement Date, and (ii) perform the Landlord's 12th Floor Common Area Work at such times and in such manner as will not materially interfere with Tenant's access to the Third Amendment Premises for the performance of the Third Amendment Tenant's Work (as hereinafter defined). Landlord and Tenant shall, at their respective sole cost and expense, cause their contractors and service providers to coordinate with each other in the performance of their respective work to minimize any disruption in either the Landlord's 12th Floor Common Area Work or the Third Amendment Tenant's Work.

(B) Landlord shall provide to Tenant a special allowance of One Million Fifty-Seven Thousand Two Hundred Seventy-Five and 00/100 Dollars (\$1,057,275.00) (the "**Third Amendment Allowance**") to be used and applied by Tenant solely on account of the cost of the work to be performed by Tenant to prepare the Third Amendment Premises for its use and occupancy (the "**Third Amendment Tenant's Work**"). Tenant shall be entitled to request that Landlord disburse portions of the Third Amendment

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Allowance from time to time, but no more frequently than monthly, during the performance of the Third Amendment Tenant's Work. It shall be a condition to Landlord's payment of any installment of the Third Amendment Allowance that Tenant (i) has completed all of such Third Amendment Tenant's Work that is the subject of such requisition in accordance with the terms of the Lease, (ii) has paid for all of such Third Amendment Tenant's Work in full and has delivered to Landlord lien waivers from all persons who might have a lien as a result of such work, in the recordable forms attached to the Original Lease as Exhibit G, (iii) with respect to any final installment, has executed the Commencement Date Agreement as contemplated by Section 2(B) above, (iv) has delivered to Landlord its certificate specifying the cost of such Third Amendment Tenant's Work that is the subject of such requisition, together with evidence of such cost in the form of paid invoices, receipts and the like, (v) with respect to any final installment, has delivered to Landlord a final set of record drawings for the Third Amendment Tenant's Work, (vi) has satisfied the requirements of (i) through (v) above and made request for such payment on or before the date that is one (1) year from the Third Amendment Premises Commencement Date, (vii) is not otherwise in default under the Lease, and (viii) there are no liens (unless bonded to the reasonable satisfaction of Landlord) against Tenant's interest in the Lease or against the Building or the Property arising out of the Third Amendment Tenant's Work or any litigation in which Tenant is a party. Within thirty (30) days after the satisfaction of the foregoing conditions with respect to any requested installment, Landlord shall pay to Tenant, or, at Tenant's option, directly to Tenant's contractor, Landlord's Third Amendment Share (as hereinafter defined) of such installment. For the purposes hereof, "**Landlord's Third Amendment Share**" shall mean that same proportion of the amount shown on Tenant's disbursement request as the Third Amendment Allowance bears to the total cost of the Third Amendment Tenant's Work (as set forth in a budget to be submitted by Tenant to Landlord prior to Tenant's first request for a disbursement of the Third Amendment Allowance hereunder).

In connection with the foregoing, it is understood and agreed that Tenant may utilize up to a maximum of One Hundred Five Thousand Seven Hundred Twenty-Seven and 50/100 Dollars (\$105,727.50) of the Third Amendment Allowance towards the costs of architectural and engineering fees and permit costs associated with the Third Amendment Tenant's Work and to any wiring and cabling being installed as part of the Third Amendment Tenant's Work, so long as all of the conditions to application of the Third Amendment Allowance set forth herein have been satisfied (including, without limitation, the requirement that the Third Amendment Allowance be utilized on or before the date which is one (1) year from the Third Amendment Premises Commencement Date).

Notwithstanding the foregoing, Landlord shall be under no obligation to apply any portion of the Third Amendment Allowance for any purposes other than as provided in this Section 6(B), nor shall Landlord be deemed to have assumed any obligations, in whole or in part, of Tenant to any contractors, subcontractors, suppliers, workers or materialmen. Further, the Third Amendment Allowance shall only be applied towards the cost of leasehold improvements and in no event shall Landlord be required to make application of any portion of the Third Amendment Allowance towards Tenant's personal

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property, trade fixtures or moving expenses or on account of any supervisory fees, overhead, management fees or other payments to Tenant, or any partner or affiliate of Tenant.

In the event that such cost of the Third Amendment Tenant's Work is less than the Third Amendment Allowance, Tenant shall not be entitled to any payment or credit nor shall there be any application of the same toward Annual Fixed Rent or Additional Rent owed by Tenant under the Lease. Landlord shall be entitled to deduct from the Third Amendment Allowance an amount equal to any third party expenses incurred by Landlord to review the Third Amendment Tenant's Work.

(C) In addition, Landlord shall provide to Tenant (i) an allowance of One Hundred Forty Thousand Nine Hundred Seventy and 00/100 Dollars (\$140,970.00) (the "**Third Amendment Demolition and Renovation Allowance**") to be used solely towards (x) the cost of demolition work in the Third Amendment Premises and/or (y) the cost of renovating the existing restrooms within the Third Amendment Premises (the "**Third Amendment Demolition and Renovation Work**") as part of the Third Amendment Tenant's Work. In connection therewith, it is understood and agreed that the Third Amendment Demolition and Renovation Allowance may be applied solely towards the cost of the Third Amendment Demolition and Renovation Work, and to the extent Tenant does not fully utilize the Third Amendment Demolition and Renovation Allowance, Tenant shall not be entitled to apply any unused portion of the Third Amendment Demolition and Renovation Allowance towards the costs of any other portion of the Third Amendment Tenant's Work nor shall Tenant be entitled to any credit on account thereof. The Third Amendment Demolition and Renovation Allowance shall be disbursed to Tenant in the same manner as the Third Amendment Allowance, and shall otherwise be subject to all of the requirements of Section 6(B) above applicable to the Third Amendment Allowance; provided, however, that:

(i) Tenant may utilize up to a maximum of Fourteen Thousand Ninety-Seven and 00/100 Dollars (\$14,097.00) of the Third Amendment Demolition and Renovation Allowance towards the costs of architectural and engineering fees and permit costs associated with the Third Amendment Demolition and Renovation Work and to any wiring and cabling being installed as part of the Third Amendment Demolition and Renovation Work, so long as all of the conditions to application of the Third Amendment Demolition and Renovation Allowance set forth herein have been satisfied (including, without limitation, the requirement that the Third Amendment Demolition and Renovation Allowance be utilized on or before the date which is one (1) year from the Third Amendment Premises Commencement Date).

(ii) For the purposes of disbursing the Third Amendment Demolition and Renovation Allowance, Landlord's Share shall be measured against the total cost of the Third Amendment Demolition and Renovation Work.

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(D) The total of (i) the Third Amendment Allowance and (ii) the Third Amendment Demolition and Renovation Allowance is acknowledged to be One Million One Hundred Ninety-Eight Thousand Two Hundred Forty-Five and 00/100 Dollars (\$1,198,245.00).

7. Termination and Surrender of the First Amendment Premises.

(A) Provided that as of the Second Amendment Premises Rent Commencement Date, (i) no uncured monetary or material non-monetary Event of Default exists, and (ii) the Lease is still in full force and effect, the Term of the Lease with respect to the First Amendment Premises shall expire on Second Amendment Premises Rent Commencement Date (the "**25th Floor Surrender Date**"). Notwithstanding anything in the Lease or this Third Amendment to the contrary, Tenant shall surrender the First Amendment Premises to Landlord on or before the 25th Floor Surrender Date vacant and free from all occupants, subtenants, or other persons or entities claiming rights of possession by, through or under Tenant and otherwise in the condition required by the Lease upon the expiration or earlier termination of the Term. Notwithstanding anything in the Lease or this Third Amendment to the contrary, if Tenant fails to surrender the First Amendment Premises on or before the 25th Floor Surrender Date in the condition required under this Third Amendment, such failure shall constitute a holding over in the First Amendment Premises pursuant to and which shall be governed by the terms of Section 16.18 of the Original Lease.

(B) Effective as of the 25th Floor Surrender Date, the Rentable Floor Area of the Premises shall be reduced by the Rentable Floor Area of the First Amendment Premises.

(C) Tenant shall pay to Landlord on a timely basis all Annual Fixed Rent, Tax Excess (as defined in Section 6.2 of the Original Lease) and Operating Cost Excess (as defined in Section 7.5 of the Original Lease) with respect to the First Amendment Premises in accordance with terms and conditions of the Lease and the First Amendment, through the 25th Floor Surrender Date.

8. Parking Privileges. Effective as of the Third Amendment Premises Commencement Date, Landlord shall provide Tenant with (i) an additional five (5) monthly unreserved parking privileges in the 100 Clarendon Garage, for a total of forty-three (43) monthly unreserved parking privileges in the 100 Clarendon Garage under the Lease, and (ii) an additional one (1) Reserved Space in the Building Garage, for a total of seven (7) Reserved Spaces in the Building Garage under the Lease. The rate payable for parking passes on account of the additional parking privileges should be the rate in effect in the applicable garage, as the same may increase during the Term.

9. Amended Right of First Offer. As of the Third Amendment Premises Commencement Date, Tenant's right of first offer pursuant to Section 2.3 of the Original Lease shall continue to be as set forth therein; provided, however, the "Available ROFO Space" shall be amended to consist of solely the remaining leasable space on the twelfth (12th) floor of the

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Building, subject to any and all Prior Rights. Tenant acknowledges and agrees that the Available ROFO Space (as amended pursuant to this Third Amendment) is or will on or about the Third Amendment Premises Commencement Date be vacant and available for lease ("**Vacant 12th Floor Space**") and such Vacant 12th Floor Space is currently being marketed for lease by Landlord. The term "Initial Lease Up" shall refer to the initial leases (and any extensions or renewals thereof) entered into by Landlord with third party tenants for all or any portion of the Vacant 12th Floor Space following the date of this Third Amendment. The parties agree that, in addition to Tenant's right of first offer under Section 2.3, as amended by this Section 9, being subject to all Prior Rights, the provisions of this Section 2.3 of the Lease, as amended by this Section 9, shall not apply to any Vacant 12th Floor Space until after the applicable Vacant 12th Floor Space has been leased by Landlord to third party tenants as part of the Initial Lease Up thereof and the tenants or occupants of such space have either not exercised any extension options therefore or not otherwise agreed with Landlord to renew the term of its lease or other occupancy agreement and Landlord determines such space will become available for reletting; provided, however, if Landlord has not entered into a letter of intent for any Vacant 12th Floor Space within twelve (12) months after the Third Amendment Premises Rent Commencement Date, or, if having entered into a letter of intent for the applicable Vacant 12th Floor Space within such twelve (12) month period, Landlord thereafter fails to execute a lease for that Vacant 12th Floor Space within eighteen (18) months after the Third Amendment Premises Rent Commencement Date, then Landlord shall, subject to any Prior Rights, offer the applicable Vacant 12th Floor Space to Tenant in accordance with the terms and provisions of Section 2.3 of the Lease, as amended by this Section 9.

10. Security Deposit.

(A) It is acknowledged and agreed that Landlord is currently holding a letter of credit in the amount of One Million Five Hundred Seventy-Five Thousand One Hundred Forty and 00/100 Dollars (\$1,575,140.00) (the "**Letter of Credit**") as security for Tenant's obligations under the Lease in accordance with the terms and provisions of Section 16.26 of the Original Lease. Concurrently with the execution of this Third Amendment, Tenant shall deliver to Landlord either (x) an amendment to the Letter of Credit increasing the total amount secured by the Letter of Credit to One Million Eight Hundred Sixty-Eight Thousand Eight Hundred Twenty-Seven and 50/100 Dollars (\$1,868,827.50) or (y) a replacement Letter of Credit in the amount of One Million Eight Hundred Sixty-Eight Thousand Eight Hundred Twenty-Seven and 50/100 Dollars (\$1,868,827.50), in either case meeting the requirements of said Section 16.26.

(B) Upon receipt by Landlord of the amendment to the Letter of Credit or the replacement Letter of Credit referenced in subsection (A) above, Section 16.26 of the Original Lease shall be amended as follows:

(i) The language in Section 16.26(B) shall be deleted in its entirety and the following substituted therefor: "Landlord shall return Six Hundred Twenty-Two Thousand Nine Hundred Forty-Two and 50/100 Dollars (\$622,942.50) portion of such deposit to Tenant so that the remainder of such deposit shall be of One Million Two Hundred Forty-Five Thousand Eight Hundred Eighty-Five and 00/100 Dollars (\$1,245,885.00) (or if such

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deposit is in the form of a Letter of Credit, Landlord shall exchange the Letter of Credit for a Letter of Credit delivered by Tenant which reduces the amount secured by the Letter of Credit by the amount stated hereinabove and otherwise in strict conformity with the requirements herein) on August 1, 2024 if Tenant has satisfied all of the Reduction Conditions (as defined in subsection (D) below)."

(ii) The language in Section 16.26(C) shall be deleted in its entirety and the following substituted therefor: "Landlord shall return Six Hundred Twenty-Two Thousand Nine Hundred Forty-Two and 50/100 Dollars (\$622,942.50) of such deposit to Tenant so that the remainder of such deposit shall be of Six Hundred Twenty-Two Thousand Nine Hundred Forty-Two and 50/100 Dollars (\$622,942.50) (or if such deposit is in the form of a Letter of Credit, Landlord shall exchange the Letter of Credit for a Letter of Credit delivered by Tenant which reduces the amount secured by the Letter of Credit by the amount stated hereinabove and otherwise in strict conformity with the requirements herein) on August 1, 2026 if Tenant has satisfied all of the Reduction Conditions."

11. As of the Third Amendment Premises Commencement Date, subclause (iii) of Section 9.1.1 of the Original Lease shall be amended to replace the sum of "150,000.00" with the sum of "\$250,000.00." In addition, it is acknowledged and agreed that the provisions of Section 9.5(c) of the Lease shall be deemed to apply to the Third Amendment Premises, including, without limitation, clause (iii) thereof which will not require Tenant to remove Cabling from the Third Amendment Premises consistent with the parameters stated therein; provided, however, that said Section 9.5(c) shall not be construed to limit Landlord's right to require Tenant to remove any internal staircases that may be installed in the Premises subsequent to the Third Amendment Premises Commencement Date or any internal staircases that Tenant is obligated to remove pursuant to Section 3.2 of the Original Lease, as amended by Section 4(A) of the Second Amendment and Section 3 of this Third Amendment.

12. Brokers.

(A) Tenant warrants and represents that Tenant has not dealt with any broker in connection with the consummation of this Third Amendment other than CBRE New England (the "**Broker**") and in the event any claim is made against Landlord relative to dealings by Tenant with brokers other than the Broker, Tenant shall defend the claim against Landlord with counsel of Tenant's selection first approved by Landlord (which approval will not be unreasonably withheld) and save harmless and indemnify Landlord on account of loss, cost or damage which may arise by reason of such claim.

(B) Landlord warrants and represents that Landlord has not dealt with any broker in connection with the consummation of this Third Amendment other than the Broker and in the event any claim is made against Tenant relative to dealings by Landlord with brokers other than the Broker, Landlord shall defend the claim against Tenant with counsel of Landlord's selection first approved by Tenant (which approval

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will not be unreasonably withheld) and save harmless and indemnify Tenant on account of loss, cost or damage which may arise by reason of such claim.

13. Ratification. Except as expressly modified by this Third Amendment, the Lease shall remain in full force and effect, and as further modified by this Third Amendment, is expressly ratified and confirmed by the parties hereto. This Third Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the provisions of the lease regarding assignment and subletting.

14. Interpretation and Partial Invalidity. If any term of this Third Amendment, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Third Amendment, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Third Amendment shall be valid and enforceable to the fullest extent permitted by law. The titles for the paragraphs are for convenience only and not to be considered in construing this Third Amendment. This Third Amendment contains all of the agreements of the parties with respect to the subject matter hereof, and supersedes all prior dealings between them with respect to such subject matter.

15. Counterparts and Authority. The parties acknowledge and agree that this Third Amendment may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include faxed versions of an original signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature. Each of Landlord and Tenant hereby represents and warrants to the other that all necessary action has been taken to enter this Third Amendment and that the person signing this Third Amendment on its behalf has been duly authorized to do so.

[Signatures Commence on Following Page]

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IN WITNESS WHEREOF, the undersigned executed this Third Amendment as a sealed instrument as of the date and year first written above.

WITNESS:

/s/ Victor L. Paulin

LANDLORD:

BP HANCOCK LLC, a Delaware limited liability company

By: BOSTON PROPERTIES LIMITED PARTNERSHIP, its sole member and manager

By: BOSTON PROPERTIES, INC., its general partner

By: /s/ David C. Provost

Name: David C. Provost

Title: SVP

Hereunto Duly Authorized

WITNESS:

/s/ Janet Just

TENANT:

CRA INTERNATIONAL, INC.

By: /s/ Chad M. Holmes

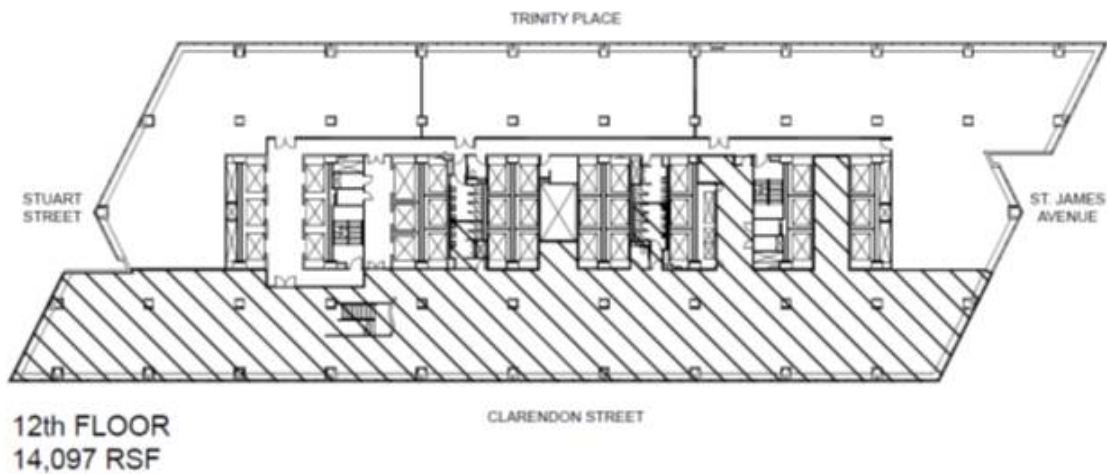
Name: Chad M. Holmes

Title: CFO

Hereunto Duly Authorized

EXHIBIT A

Floor Plan of the Third Amendment Premises



 **THIRD AMENDMENT PREMISES**

CRA INTERNATIONAL, INC. RESTRICTED STOCK AGREEMENT

Notification and Acceptance of Restricted Stock Award
Non-Employee Director Award Pursuant to Section 6.9 of the Plan

Pursuant to the CRA International, Inc. 2006 Equity Incentive Plan, as amended (the “Plan”), the Director named below (hereinafter the “Holder”) has been granted _____ shares (the “Restricted Shares”) of the Company’s Common Stock, without par value (“Common Stock”), subject to the restrictions stated below and in the Plan, on the condition that the Holder execute and deliver this Agreement.

In accordance with the Plan, the Company is therefore pleased to offer you the following Restricted Stock Award:

Grant Date: []

Director Name and Residential Address:

Number of shares of Common Stock granted in this Restricted Stock Award: _____ shares of the Company’s Common Stock

Vesting Period: Four years, with Twenty-five Percent (25%) of the Restricted Stock Award vesting on each anniversary of the Grant Date.

Vesting Schedule:

Date	% Vested
[]	25%
[]	50%
[]	75%
[]	100%

This Restricted Stock Award is subject to the terms and conditions of the Restricted Stock Agreement set forth below (the “Agreement”). By signing below you both accept this Restricted Stock Award and acknowledge that you have read, understand, agree to and accept the terms and conditions of the Agreement set forth below.

Signed as a Massachusetts agreement under seal as of the Grant Date:

CRA INTERNATIONAL, INC.

 Paul Maleh
 President and CEO

{Insert Holder name}

Restricted Stock Agreement

The terms of this Agreement shall govern the Restricted Stock Award (the “Award”) described in the attached Notification and Acceptance of Restricted Stock Award (the “Notice”), which is hereby incorporated into this Agreement by reference. Capitalized terms used, but not defined, herein shall have the meanings ascribed to them in the Notice. The Company agrees to issue the Restricted Shares to the Holder in consideration of the premises made herein and for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, subject to the terms and conditions of the Plan and this Agreement as follows:

1. Vesting Schedule. The interest of the Holder in the Restricted Shares shall vest, as to one-fourth of the Restricted Shares, on the first anniversary of the Grant Date, and, as to an additional one-fourth of the Restricted Shares, on each succeeding anniversary thereof, so as to be 100% vested on the fourth anniversary thereof, conditioned upon, except to the extent the Plan Administrator determines otherwise, the Holder’s continued service as a Director of the Company as of each vesting date. Notwithstanding the foregoing, the interest of the Holder in the Restricted Shares shall vest as to 100% of the then unvested Restricted Shares upon the Holder’s termination of service to the Company due to death or Disability. As used herein, the term “Disability” shall mean any condition, arising by reason of ill health or otherwise, on account of which the Holder shall become unable to perform services as a Director of the Company for a period of six (6) consecutive months.

2. Forfeiture of Restricted Shares.

(a) The Restricted Shares may not be sold, pledged or otherwise transferred until the Restricted Shares become vested in accordance with Paragraph 1 hereof. The period of time between the Grant Date and the date Restricted Shares become vested is referred to herein as the “Restriction Period” for each of such shares.

(b) If service for the Company as a Director is terminated by the Company or the Holder for any reason (other than death or Disability), the balance of the Restricted Shares that have not vested at the time of the Holder’s termination of service shall, except to the extent the Plan Administrator determines otherwise, be forfeited by the Holder and shall automatically be transferred and returned to the Company.

3. Escrow of Certificates.

(a) Simultaneously with the execution of this Agreement, the Holder shall deposit with the Company the certificates representing all of the Restricted Shares and shall, promptly upon acquisition of any additional shares of stock, property or securities described in Paragraphs 6 or 7 hereof, deposit with the Company the certificates for such additional shares, such other property, or instruments representing such securities. Any such additional shares, property or securities shall for all purposes be deemed Restricted Shares under this Agreement. To all certificates deposited by the Holder with the

Company, there shall be attached stock powers, duly executed by the Holder in blank, constituting and appointing the Company his attorney to transfer such stock on the books of the Company. The Company shall hold such certificates and stock powers for the purposes of this Agreement. Notwithstanding anything to

the contrary herein, the Company may elect to have the Restricted Shares, including, without limitation, any additional shares of stock, property or securities described in Paragraphs 6 or 7 hereof, issued in book-entry in the Company's stock record books. The Holder shall continue to be the owner of the Restricted Shares despite such deposit and stock powers or book-entry issuance and shall be entitled to exercise all rights of ownership in such Restricted Shares, subject, however, to the provisions of this Agreement.

(b) In performing its duties under this Agreement, the Company shall be entitled to rely upon any statement, notice, or other writing that it shall in good faith believe to be genuine and to be signed or presented by a proper party or parties and on other evidence or information deemed by it to be reliable. In no event shall the Company be liable for any action taken or omitted in good faith. The Company may consult with its counsel or counsel of any of the other parties hereto and, without limiting the generality of the preceding sentence, shall not be held liable for any action taken or omitted in good faith on advice of such counsel.

It is further agreed that if any controversy arises, between the parties hereto or with any third person, with respect to the Restricted Shares or any part of the subject matter of this Agreement or its terms or conditions, the Company shall not be required to take any actions in the premises, but may await the settlement of any such controversy by final appropriate legal proceedings or otherwise as it may require, notwithstanding anything in this Agreement to the contrary, and in such event the Company shall not be liable for interest or damages.

In the event that a dispute should arise with respect to the delivery, right to possession, and/or ownership of the certificates, instruments or other property held by the Company representing the Restricted Shares, the Company is authorized to retain such certificates, instruments or other property, as well as any other evidence relating thereto, in its possession, or any portion thereof, without liability to anyone, until such dispute shall have been settled either by mutual written agreement of the parties concerned or by final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but the Company shall be under no duty whatsoever hereunder to institute or defend any such proceedings.

The provisions of this Paragraph 3(b) shall survive the expiration or earlier termination of this Agreement.

4. Restriction on Transfer. Other than as set forth in the preceding Paragraphs of this Agreement with respect to transfers to the Company, the Holder shall not sell, assign, transfer, pledge, hypothecate, mortgage, encumber or otherwise dispose of, voluntarily or involuntarily, by operation of law or otherwise (collectively, "transfer"), any of the Restricted Shares or any interest therein, unless and until such Restricted Shares are no longer subject to forfeiture under Paragraph 2 and, accordingly, the Restriction Period with respect to such shares has terminated.

5. Shareholder Rights; Dividends. Beginning on the Grant Date and subject to the execution and delivery to the Company of this Agreement by the Holder, the Holder shall become a shareholder of the Company with respect to the Restricted Shares and shall have all of the rights of a holder of the Common Stock, including, but not limited to, the right to vote such shares; provided, however, that such holder's rights to receive dividends with respect to the

Restricted Shares shall be limited as set forth herein. No dividend shall be paid with respect to any Restricted Shares unless such Restricted Shares have become vested hereunder on or prior to the record date for such dividend. If the Company declares a dividend with respect to any Restricted Shares that have not become vested hereunder on or prior to the record date for such dividend, the amount of such dividend shall be retained by the Company in a notional bookkeeping account for the Holder and shall be paid to the Holder, without interest and subject to the other terms hereof, only if, as and when the underlying Restricted Shares have become vested hereunder. The Holder's right to receive payment of any dividend (including any payment with respect to a dividend so retained in a notional bookkeeping account) with respect to any Restricted Shares shall be immediately forfeited if, as and when such Restricted Shares are forfeited hereunder.

6. Stock Dividends and Certain Other Issuances and Payments. If the Company shall pay a stock dividend on the Common Stock, or be a party to a merger, consolidation, capital reorganization or recapitalization in which, while existing Common Stock remains outstanding, securities of the Company are issued with respect to any of the Common Stock, the stock or other securities issued in payment of such dividend, or issued in connection with such merger, consolidation, capital reorganization or recapitalization, shall be added to, and deemed part of, the Restricted Shares for all purposes of this Agreement. If the Company shall make a distribution of property (other than cash or shares of Common Stock) on any of the Common Stock, or shall distribute with respect to the Common Stock securities of another corporation, such property or securities shall be added to, and deemed part of, the Restricted Shares for all purposes of this Agreement. All references in Paragraph 3 hereof to "additional shares of stock, property or securities described in Paragraph 6 or Paragraph 7 hereof," to "certificates" and to "stock powers" shall be deemed to include, without limitation, reference to any shares, property or securities issued or distributed, as applicable, pursuant to this Paragraph 6 or Paragraph 7 hereof, to certificates or instruments representing any such shares or securities, and to stock powers for such certificates or appropriate instruments of transfer for such instruments, respectively. Upon the occurrence of any event described in this Paragraph 6, any unvested Restricted Shares shall remain subject to forfeiture as set forth herein, but the provisions hereof shall be appropriately adjusted by the Company so that they will continue to apply with similar effect to any new Restricted Shares resulting from such event.

7. Stock Splits, Recapitalizations and Other Events. If the outstanding shares of the Common Stock shall be subdivided into a greater number of shares or combined into a smaller number of shares, or in the event of a reclassification of the outstanding shares of Common Stock, or if the Company shall be a party to any merger, consolidation, recapitalization or capital reorganization in which securities are issued in exchange for the Restricted Shares, there shall be substituted for the Restricted Shares hereunder such amount and kind of securities as are issued in such subdivision, combination, reclassification, merger, consolidation, recapitalization or capital reorganization with respect to the Restricted Shares outstanding immediately prior thereto and, thereafter, such securities shall for all purposes be deemed the Restricted Shares hereunder. In any such event, the unvested Restricted Shares shall remain subject to forfeiture as set forth herein, but the provisions hereof shall be appropriately adjusted by the Company so that they will continue to apply with similar effect to such new Restricted Shares.

8. **No Transfer in Violation of Agreement.** The Company shall not be required to transfer any of the Restricted Shares on its books that shall purportedly have been sold, assigned or otherwise transferred in violation of this Agreement, or to treat as owner of such shares, or to accord the right to vote as such owner or to pay dividends to, any person or entity to which any such shares shall purportedly have been sold, assigned or otherwise transferred in violation of this Agreement. It is expressly understood and agreed that the restrictions on transfer imposed by this Agreement shall apply not only to voluntary transfers but also to involuntary transfers, by operation of law or otherwise. The Holder shall pay all legal fees and expenses of the Company arising out of or relating to any purported sale, assignment or transfer of any Restricted Shares in violation of this Agreement.

9. **Legend.** The certificates representing any shares of the Restricted Shares to be issued to the Holder that are subject to forfeiture shall have endorsed thereon, in addition to any other legends thereon, legends substantially in the following form:

The securities represented by this certificate are subject to restrictions on transfer and forfeiture to the Corporation, as set forth in a restricted stock agreement between the Corporation and the registered holder hereof, a copy of which will be provided to the holder hereof by the Corporation upon written request and without charge.

10. **Severability.** If any provision of this Agreement shall be determined to be invalid, illegal or otherwise unenforceable by any court of competent jurisdiction, the validity, legality and enforceability of the other provisions of this Agreement shall not be affected thereby. Any invalid, illegal or unenforceable provision of this Agreement shall be severable, and after any such severance, all other provisions hereof shall remain in full force and effect.

11. **Equitable Relief.** The Holder acknowledges that money damages alone will not adequately compensate the Company for breach of any of the Holder's covenants and agreements herein and, therefore, agrees that in the event of the breach or threatened breach of any such covenant or agreement, in addition to all other remedies available to the Company, at law, in equity or otherwise, the Company shall be entitled to injunctive relief compelling specific performance of, or other compliance with, the terms hereof.

12. **Tax Matters.**

(a) The Holder will be liable for any and all taxes, including, without limitation, withholding taxes, arising out of the grant or vesting of the Restricted Shares hereunder, and shall be solely responsible for obtaining such tax treatment of the Restricted Shares and of Holder's receipt thereof as the Holder may desire, including, without limitation, any timely filing of an election under Section 83(b) of the Internal Revenue Code of 1986, as amended.

(b) The Holder will provide the Company with all information that the Company shall request in connection with the Holder's receipt of the Restricted Shares, and any subsequent sale(s) or other disposition(s) thereof, in order for the Company to satisfy tax, accounting and securities laws reporting and other regulatory requirements. Information with respect to sale(s) or disposition(s) of Restricted Shares by the Holder should be delivered to the

Company before the end of the month within which they occurred. Information should be provided to the attention of the Company's General Counsel or, in his absence, to its Chief Financial Officer.

(c) Any other provision of this Agreement to the contrary notwithstanding, the Holder shall defend, indemnify and hold the Company harmless from and against any and all damages, costs, expenses, fines, penalties, reasonable attorney's fees and claims of every kind or nature arising from the Holder's failure to provide any information required hereunder or to pay any tax amounts promptly and when due.

(d) **Section 83(b) Tax Election.** **The Holder acknowledges that the Company has advised the Holder of the possibility of making an election under Section 83(b) of the Code with respect to the Restricted Shares. The Holder should consult with his or her tax advisor to determine the tax consequences of acquiring the Restricted Shares and the potential advantages and potential disadvantages of filing the Section 83(b) election in light of the Holder's individual circumstances. The Holder acknowledges that it is his or her sole responsibility, and not that of the Company or any of its subsidiaries, to file a timely election under Section 83(b) and that the right to make such an election will be lost if notice of such election is not timely filed.**

(e) The Holder shall, no later than the date as of which the value of any Restricted Shares first becomes includable in the gross income of the Holder for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Company regarding payment of, any Federal, state, local and/or payroll taxes of any kind required by law to be withheld as a result thereof. The Company and its affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Holder. In addition, the Company shall have the right to deduct from any dividend paid with respect to any Restricted Shares (including, if applicable, upon the amount of such dividend being retained by the Company in a notional bookkeeping account in accordance with Paragraph 5 hereof) the amount of any taxes that the Company is required to withhold with respect to such dividend.

13. **Notices.** Any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given (a) upon personal delivery, (b) on the first business day after being sent by express mail or a nationally recognized overnight courier service, (c) upon transmission by facsimile with receipt confirmed, or (d) on the third business day after being sent by registered or certified mail, return receipt requested, postage prepaid. To be effective, any such notice shall be addressed, if to the Company, at its principal office, and if to the Holder at the last address of record on the books of the Company or at such other address as such party may designate by ten (10) days prior written notice to the other party hereto.

14. **Benefit of the Agreement.** The rights and obligations of the Holder hereunder are personal to the Holder and, except as otherwise expressly provided herein, such rights and obligations may not be assigned or delegated by the Holder without the prior written consent of the Company. Any assignment or delegation of such rights and obligations of the Holder absent such consent shall be void and of no force or effect. This Agreement shall inure to the benefit of, and be binding upon, the legal representatives, successors and assigns of the Company and the

heirs, legal representatives, successors and permitted assigns of the Holder, subject to the restrictions on transfer and forfeiture provisions set forth herein. The rights and remedies of the Company hereunder shall be cumulative and in addition to all other rights and remedies the Company may have, at law, in equity, by contract or otherwise. No modification, renewal, extension, waiver or termination of this Agreement or any of the provisions herein contained shall be binding upon the Company unless made in writing and signed by a duly authorized officer of the Company.

15. Choice of Law and Forum. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of The Commonwealth of Massachusetts without regard to its principles of conflicts of laws. All litigation arising from or relating to this Agreement shall be filed and prosecuted before any court of competent subject matter jurisdiction located in Boston, Massachusetts. The Holder consents to the jurisdiction of such courts over him, stipulates to the convenience, efficiency and fairness of proceeding in such courts, and covenants not to allege or assert the inconvenience, inefficiency or unfairness of proceeding in such courts.

16. Fractional Shares. Any fractional shares resulting from a computation of the vested Restricted Shares made pursuant to Paragraph 2 hereof shall be rounded down to the nearest whole share.

17. No Right To Employment/Provide Services. Nothing contained in this Agreement shall be construed as giving the Holder any right to be retained in any position as an employee of, or to provide or continue to provide services to, the Company.

18. Entire Agreement. This Agreement, the Plan and the other documents referred to herein constitute the entire agreement between the parties with respect to the subject matter of this Agreement, and supersede all prior agreements and understandings, written and oral, with respect thereto.

19. Construction. The genders and numbers used in this Agreement are used as reference terms only and shall apply with the same effect whether the parties are of the masculine, neuter or feminine gender, corporate or other form, and the singular shall likewise include the plural.

* * *

CRA INTERNATIONAL, INC. RESTRICTED STOCK AGREEMENT

Notification and Acceptance of Restricted Stock Award
Employee or Independent Contractor Award

Pursuant to the CRA International, Inc. 2006 Equity Incentive Plan, as amended (the “Plan”), the Employee or Independent Contractor named below (hereinafter the “Holder”) has been granted _____ shares (the “Restricted Shares”) of the Company’s Common Stock, without par value (“Common Stock”), subject to the restrictions stated below and in the Plan, on the condition that the Holder execute and deliver this Agreement.

In accordance with the Plan, the Company is therefore pleased to offer you the following Restricted Stock Award:

Grant Date: []

Holder Name and Residential Address:

Number of shares of Common Stock granted in this Restricted Stock Award: _____ shares of the Company’s Common Stock

Vesting Period: Four years, with Twenty-five Percent (25%) of the Restricted Stock Award vesting on each anniversary of the Grant Date.

Vesting Schedule:

Date	% Vested
[]	25%
[]	50%
[]	75%
[]	100%

This Restricted Stock Award is subject to the terms and conditions of the Restricted Stock Agreement set forth below (the “Agreement”). By signing below you both accept this Restricted Stock Award and acknowledge that you have read, understand, agree to and accept the terms and conditions of the Agreement set forth below. As a condition to receiving this Restricted Stock Award, the Holder shall execute a Non-Solicit / Non-Hire Agreement with the Company, dated as of the Grant Date, unless the Company already has such an agreement on file.

Signed as a Massachusetts agreement under seal as of the Grant Date:

CRA INTERNATIONAL, INC.

 Paul Maleh
 President and CEO

{Insert Holder name}

Restricted Stock Agreement

The terms of this Agreement shall govern the Restricted Stock Award (the “Award”) described in the attached Notification and Acceptance of Restricted Stock Award (the “Notice”), which is hereby incorporated into this Agreement by reference. Capitalized terms used, but not defined, herein shall have the meanings ascribed to them in the Notice. The Company agrees to issue the Restricted Shares to the Holder in consideration of the premises made herein and for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, subject to the terms and conditions of the Plan and this Agreement as follows:

1. Vesting Schedule. The interest of the Holder in the Restricted Shares shall vest, as to one-fourth of the Restricted Shares, on the first anniversary of the Grant Date and, as to an additional one-fourth of the Restricted Shares, on each succeeding anniversary thereof, so as to be 100% vested on the fourth anniversary thereof, conditioned upon, except to the extent the Plan Administrator determines otherwise, the Holder’s continued employment with or performance of services for the Company as of each vesting date. Notwithstanding the foregoing, the interest of the Holder in the Restricted Shares shall vest as to 100% of the then unvested Restricted Shares upon the Holder’s termination of employment with or performance of services for the Company due to death or disability under the then established rules of the Company, provided, however, that the Holder is not competing directly or indirectly with the Company, as determined by the Company in its discretion. Whether such termination is due to disability shall be determined by the Company in its sole discretion.
2. Forfeiture of Restricted Shares.
 - (a) The Restricted Shares may not be sold, pledged or otherwise transferred until the Restricted Shares become vested in accordance with Paragraph 1 hereof. The period of time between the Grant Date and the date Restricted Shares become vested is referred to herein as the “Restriction Period” for each of such shares.
 - (b) If employment with or service for the Company as an employee or independent contractor is terminated by the Company for any reason (other than death or disability), the balance of the Restricted Shares that have not vested at the time of the Holder’s termination of employment or service shall, except to the extent the Plan Administrator determines otherwise, be forfeited by the Holder and shall automatically be transferred and returned to the Company.
3. Escrow of Certificates.

(a) Simultaneously with the execution of this Agreement, the Holder shall deposit with the Company the certificates representing all of the Restricted Shares and shall, promptly upon acquisition of any additional shares of stock, property or securities described in Paragraphs 6 or 7 hereof, deposit with the Company the certificates for such additional shares, such other property, or instruments representing such securities. Any such additional shares, property or securities shall for all purposes be deemed Restricted Shares under this Agreement. To all certificates deposited by the Holder with the Company, there shall be attached stock powers, duly executed by the Holder in blank, constituting and appointing the Company his attorney to transfer such stock on the books of the Company. The Company shall hold such

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certificates and stock powers for the purposes of this Agreement. Notwithstanding anything to the contrary herein, the Company may elect to have the Restricted Shares, including, without limitation, any additional shares of stock, property or securities described in Paragraphs 6 or 7 hereof, issued in book-entry in the Company's stock record books. The Holder shall continue to be the owner of the Restricted Shares despite such deposit and stock powers or book-entry issuance and shall be entitled to exercise all rights of ownership in such Restricted Shares, subject, however, to the provisions of this Agreement.

(b) In performing its duties under this Agreement, the Company shall be entitled to rely upon any statement, notice, or other writing that it shall in good faith believe to be genuine and to be signed or presented by a proper party or parties and on other evidence or information deemed by it to be reliable. In no event shall the Company be liable for any action taken or omitted in good faith. The Company may consult with its counsel or counsel of any of the other parties hereto and, without limiting the generality of the preceding sentence, shall not be held liable for any action taken or omitted in good faith on advice of such counsel.

It is further agreed that if any controversy arises, between the parties hereto or with any third person, with respect to the Restricted Shares or any part of the subject matter of this Agreement or its terms or conditions, the Company shall not be required to take any actions in the premises, but may await the settlement of any such controversy by final appropriate legal proceedings or otherwise as it may require, notwithstanding anything in this Agreement to the contrary, and in such event the Company shall not be liable for interest or damages.

In the event that a dispute should arise with respect to the delivery, right to possession, and/or ownership of the certificates, instruments or other property held by the Company representing the Restricted Shares, the Company is authorized to retain such certificates, instruments or other property, as well as any other evidence relating thereto, in its possession, or any portion thereof, without liability to anyone, until such dispute shall have been settled either by mutual written agreement of the parties concerned or by final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but the Company shall be under no duty whatsoever hereunder to institute or defend any such proceedings.

The provisions of this Paragraph 3(b) shall survive the expiration or earlier termination of this Agreement.

4. Restriction on Transfer. Other than as set forth in the preceding Paragraphs of this Agreement with respect to transfers to the Company, the Holder shall not sell, assign, transfer, pledge, hypothecate, mortgage, encumber or otherwise dispose of, voluntarily or involuntarily, by operation of law or otherwise (collectively, "transfer"), any of the Restricted Shares or any interest therein, unless and until such Restricted Shares are no longer subject to forfeiture under Paragraph 2 and, accordingly, the Restriction Period with respect to such shares has terminated.

5. Shareholder Rights; Dividends. Beginning on the Grant Date and subject to the execution and delivery to the Company of this Agreement by the Holder, the Holder shall become a shareholder of the Company with respect to the Restricted Shares and shall have all of the rights of a holder of the Common Stock, including, but not limited to, the right to vote such

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shares; provided, however, that such holder's rights to receive dividends with respect to the Restricted Shares shall be limited as set forth herein. No dividend shall be paid with respect to any Restricted Shares unless such Restricted Shares have become vested hereunder on or prior to the record date for such dividend. If the Company declares a dividend with respect to any Restricted Shares that have not become vested hereunder on or prior to the record date for such dividend, the amount of such dividend shall be retained by the Company in a notional bookkeeping account for the Holder and shall be paid to the Holder, without interest and subject to the other terms hereof, only if, as and when the underlying Restricted Shares have become vested hereunder. The Holder's right to receive payment of any dividend (including any payment with respect to a dividend so retained in a notional bookkeeping account) with respect to any Restricted Shares shall be immediately forfeited if, as and when such Restricted Shares are forfeited hereunder.

6. Stock Dividends and Certain Other Issuances and Payments. If the Company shall pay a stock dividend on the Common Stock, or be a party to a merger, consolidation, capital reorganization or recapitalization in which, while existing Common Stock remains outstanding, securities of the Company are issued with respect to any of the Common Stock, the stock or other securities issued in payment of such dividend, or issued in connection with such merger, consolidation, capital reorganization or recapitalization, shall be added to, and deemed part of, the Restricted Shares for all purposes of this Agreement. If the Company shall make a distribution of property (other than cash or shares of Common Stock) on any of the Common Stock, or shall distribute with respect to the Common Stock securities of another corporation, such property or securities shall be added to, and deemed part of, the Restricted Shares for all purposes of this Agreement. All references in Paragraph 3 hereof to "additional shares of stock, property or securities described in Paragraph 6 or Paragraph 7 hereof," to "certificates" and to "stock powers" shall be deemed to include, without limitation, reference to any shares, property or securities issued or distributed, as applicable, pursuant to this Paragraph 6 or Paragraph 7 hereof, to certificates or instruments representing any such shares or securities, and to stock powers for such certificates or appropriate instruments of transfer for such instruments, respectively. Upon the occurrence of any event described in this Paragraph 6, any unvested Restricted Shares shall remain subject to forfeiture as set forth herein, but the provisions hereof shall be appropriately adjusted by the Company so that they will continue to apply with similar effect to any new Restricted Shares resulting from such event.

7. Stock Splits, Recapitalizations and Other Events. If the outstanding shares of the Common Stock shall be subdivided into a greater number of shares or combined into a smaller number of shares, or in the event of a reclassification of the outstanding shares of Common Stock, or if the Company shall be a party to any merger, consolidation, recapitalization or capital reorganization in which securities are issued in exchange for the Restricted Shares, there shall be substituted for the Restricted Shares hereunder such amount and kind of securities as are issued in such subdivision, combination, reclassification, merger, consolidation, recapitalization or capital reorganization with respect to the Restricted Shares outstanding immediately prior thereto and, thereafter, such securities shall for all purposes be deemed the Restricted Shares hereunder. In any such event, the unvested Restricted Shares shall

8. No Transfer in Violation of Agreement. The Company shall not be required to transfer any of the Restricted Shares on its books that shall purportedly have been sold, assigned or otherwise transferred in violation of this Agreement, or to treat as owner of such shares, or to accord the right to vote as such owner or to pay dividends to, any person or entity to which any such shares shall purportedly have been sold, assigned or otherwise transferred in violation of this Agreement. It is expressly understood and agreed that the restrictions on transfer imposed by this Agreement shall apply not only to voluntary transfers but also to involuntary transfers, by operation of law or otherwise. The Holder shall pay all legal fees and expenses of the Company arising out of or relating to any purported sale, assignment or transfer of any Restricted Shares in violation of this Agreement.

9. Legend. The certificates representing any shares of the Restricted Shares to be issued to the Holder that are subject to forfeiture shall have endorsed thereon, in addition to any other legends thereon, legends substantially in the following form:

The securities represented by this certificate are subject to restrictions on transfer and forfeiture to the Corporation, as set forth in a restricted stock agreement between the Corporation and the registered holder hereof, a copy of which will be provided to the holder hereof by the Corporation upon written request and without charge.

10. Severability. If any provision of this Agreement shall be determined to be invalid, illegal or otherwise unenforceable by any court of competent jurisdiction, the validity, legality and enforceability of the other provisions of this Agreement shall not be affected thereby. Any invalid, illegal or unenforceable provision of this Agreement shall be severable, and after any such severance, all other provisions hereof shall remain in full force and effect.

11. Equitable Relief. The Holder acknowledges that money damages alone will not adequately compensate the Company for breach of any of the Holder's covenants and agreements herein and, therefore, agrees that in the event of the breach or threatened breach of any such covenant or agreement, in addition to all other remedies available to the Company, at law, in equity or otherwise, the Company shall be entitled to injunctive relief compelling specific performance of, or other compliance with, the terms hereof.

12. Tax Matters.

(a) The Holder will be liable for any and all taxes, including, without limitation, withholding taxes, arising out of the grant or vesting of the Restricted Shares hereunder, and shall be solely responsible for obtaining such tax treatment of the Restricted Shares and of Holder's receipt thereof as the Holder may desire, including, without limitation, any timely filing of an election under Section 83(b) of the Internal Revenue Code of 1986, as amended. The Company shall, unless otherwise approved by the Plan Administrator, meet its tax withholding obligations with respect to the Restricted Shares either, (i) in the event that an election under Section 83(b) has been made, by withholding from such shares otherwise issuable to the Holder a number of shares with an aggregate fair market value (as determined under the Plan) sufficient to satisfy such withholding obligations, or (ii) if no such election has been made, by withholding from such shares that would otherwise be released from escrow upon a vesting date a number of shares with an aggregate fair market value sufficient to satisfy such withholding obligations, which shares shall be treated as forfeited by the Holder and

automatically transferred and returned to the Company; and in either case, the Holder acknowledges and agrees that such withholding may occur.

(b) The Holder will provide the Company with all information that the Company shall request in connection with the Holder's receipt of the Restricted Shares, and any subsequent sale(s) or other disposition(s) thereof, in order for the Company to satisfy tax, accounting and securities laws reporting and other regulatory requirements. Information with respect to sale(s) or disposition(s) of Restricted Shares by the Holder should be delivered to the Company before the end of the month within which they occurred. Information should be provided to the attention of the Company's General Counsel or, in his absence, to its Chief Financial Officer.

(c) Any other provision of this Agreement to the contrary notwithstanding, the Holder shall defend, indemnify and hold the Company harmless from and against any and all damages, costs, expenses, fines, penalties, reasonable attorney's fees and claims of every kind or nature arising from the Holder's failure to provide any information required hereunder or to pay any tax amounts promptly and when due.

(d) **Section 83(b) Tax Election.** The Holder acknowledges that the Company has advised the Holder of the possibility of making an election under Section 83(b) of the Code with respect to the Restricted Shares. The Holder should consult with his or her tax advisor to determine the tax consequences of acquiring the Restricted Shares and the potential advantages and potential disadvantages of filing the Section 83(b) election in light of the Holder's individual circumstances. The Holder acknowledges that it is his or her sole responsibility, and not that of the Company or any of its subsidiaries, to file a timely election under Section 83(b) and that the right to make such an election will be lost if notice of such election is not timely filed.

(e) The Holder shall, no later than the date as of which the value of any Restricted Shares first becomes includable in the gross income of the Holder for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Company regarding payment of, any Federal, state, local and/or payroll taxes of any kind required by law to be withheld as a result thereof. The Company and its affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Holder. In addition, the Company shall have the right to deduct from any dividend paid with respect to any Restricted Shares (including, if applicable, upon the amount of such dividend being retained by the Company in a notional bookkeeping account in accordance with Paragraph 5 hereof) the amount of any taxes that the Company is required to withhold with respect to such dividend.

13. Notices. Any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given (a) upon personal delivery, (b) on the first business day after being sent by express mail or a nationally recognized overnight courier service, (c) upon transmission by facsimile with receipt confirmed, or (d) on the third business day after being sent by registered or certified mail, return receipt requested, postage prepaid. To

be effective, any such notice shall be addressed, if to the Company, at its principal office, and if to the Holder at the last address of record on the books of the Company or at such other address as such party may designate by ten (10) days prior written notice to the other party hereto.

14. Benefit of the Agreement. The rights and obligations of the Holder hereunder are personal to the Holder and, except as otherwise expressly provided herein, such rights and obligations may not be assigned or delegated by the Holder without the prior written consent of the Company. Any assignment or delegation of such rights and obligations of the Holder absent such consent shall be void and of no force or effect. This Agreement shall inure to the benefit of, and be binding upon, the legal representatives, successors and assigns of the Company and the heirs, legal representatives, successors and permitted assigns of the Holder, subject to the restrictions on transfer and forfeiture provisions set forth herein. The rights and remedies of the Company hereunder shall be cumulative and in addition to all other rights and remedies the Company may have, at law, in equity, by contract or otherwise. No modification, renewal, extension, waiver or termination of this Agreement or any of the provisions herein contained shall be binding upon the Company unless made in writing and signed by a duly authorized officer of the Company.

15. Choice of Law and Forum. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of The Commonwealth of Massachusetts without regard to its principles of conflicts of laws. All litigation arising from or relating to this Agreement shall be filed and prosecuted before any court of competent subject matter jurisdiction located in Boston, Massachusetts. The Holder consents to the jurisdiction of such courts over him, stipulates to the convenience, efficiency and fairness of proceeding in such courts, and covenants not to allege or assert the inconvenience, inefficiency or unfairness of proceeding in such courts.

16. Fractional Shares. Any fractional shares resulting from a computation of the vested Restricted Shares made pursuant to Paragraph 2 hereof shall be rounded down to the nearest whole share.

17. No Right To Employment/Provide Services. Nothing contained in this Agreement shall be construed as giving the Holder any right to be retained in any position as an employee of, or to provide or continue to provide services to, the Company.

18. Entire Agreement. This Agreement, the Plan and the other documents referred to herein constitute the entire agreement between the parties with respect to the subject matter of this Agreement, and supersede all prior agreements and understandings, written and oral, with respect thereto.

19. Construction. The genders and numbers used in this Agreement are used as reference terms only and shall apply with the same effect whether the parties are of the masculine, neuter or feminine gender, corporate or other form, and the singular shall likewise include the plural.

* * *

CERTIFICATION

I, Paul A. Maleh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CRA International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15 (f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to affect adversely the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2018

By: /s/ PAUL A. MALEH

Paul A. Maleh
President and Chief Executive Officer

QuickLinks

[Exhibit 31.1](#)

[CERTIFICATION](#)

CERTIFICATION

I, Chad M. Holmes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CRA International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15 (f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to affect adversely the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2018

By: /s/ CHAD M. HOLMES

Chad M. Holmes
Chief Financial Officer, Executive Vice President and
Treasurer

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[Exhibit 31.2](#)

[CERTIFICATION](#)

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

In connection with the Quarterly Report on Form 10-Q of CRA International, Inc. (the "Company") for the quarter ended June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned President and Chief Executive Officer and Executive Vice President, Treasurer, and Chief Financial Officer of the Company, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ PAUL A. MALEH

/s/ CHAD M. HOLMES

Paul A. Maleh
President and Chief Executive Officer
Date: August 2, 2018

Chad M. Holmes
Chief Financial Officer, Executive Vice President
and Treasurer
Date: August 2, 2018

QuickLinks

[Exhibit 32.1](#)

[CERTIFICATION PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002](#)