



# Corporate Governance Guidelines



- I. Board Issues**
- A. Membership**
1. **Size of Board.**  
The Board shall have at least five and no more than fifteen directors.
  2. **Mix of Directors; "Independent" Directors.**  
A majority of the Directors shall satisfy the independence requirements of Section 10A of the Securities Exchange Act of 1934, the New York Stock Exchange and any other regulatory authority.
  3. **Board Membership Criteria.**  
The Company should seek candidates who possess qualifications and expertise that will enhance the composition of the Board, including the considerations set forth below. The considerations set forth below are not meant as minimum qualifications, but rather as guidelines in weighing all of the candidate's qualifications and expertise. (See *Appendix I, Criteria for Selecting New Directors.*)
  4. **New Directors.**  
The Nominating/Corporate Governance Committee has, as one of its responsibilities, the identification and recommendation of Director candidates to the full Board.
- 
- B. Conduct.**
1. **Board Meetings.**
    - a. **Selection of Agenda Items and Executive Sessions.**  
The Chairman and Chief Executive Officer should establish the agenda for Board meetings. The non-management Directors of the Board will meet periodically in regularly scheduled executive sessions without any management participation.
    - b. **Distribution of Materials.**  
The Company shall distribute, sufficiently in advance of meetings to permit meaningful review, written materials for use at Board meetings.
    - c. **Attendance of Non-Directors.**  
The Board believes that attendance of key executive officers augments the meeting process.
    - d. **Number of Meetings; Attendance and Preparation.** The Board of Directors shall hold a minimum of four meetings per year. Directors are expected to attend all meetings, absent exceptional circumstances, and to have, prior to the meetings, reviewed all written meeting materials distributed to them in advance.
  2. **Role of the Lead Director**  
The Board may, by the affirmative vote of a majority of the independent directors, designate one of the independent directors as the Lead Director. The Lead Director shall:
    - a. Remain independent, failing which the Lead Director may be removed from the position by a majority of the independent directors;
    - b. Preside at meetings in executive session of the non-management Directors;



## Corporate Governance Guidelines



- 
- c. Recommend the frequency of and schedule meetings of the non-management Directors in executive session, and invite members of management (including management Directors) to join an executive session for reports to or discussions with the non-management Directors, as appropriate;
  - d. Consult with the Chairman of the Board and with the chairs of committees of the Board regarding topics for reports and discussion at meetings, dates and times of meetings, allocation of time for specific reports and matters to be discussed at meetings, and other matters to be addressed at meetings;
  - e. Provide input on agendas for all Board meetings;
  - f. Be available for direct communication and consultation with significant shareholders; and
  - g. Perform such other duties as may be assigned by the Board from time to time.
- 
3. **Conflicts of Interest.**  
Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company, or gives the appearance of a conflict. The Company annually solicits information from Directors in order to monitor potential conflicts of interest and Directors are expected to be mindful of their fiduciary obligations to the Company
- 
4. **Share Ownership by Directors.**  
All Directors (other than the Chief Executive Officer and any Outside Director on the Government Security Committee) are expected to accumulate and hold shares of the Company's common stock with a value of at least five times their annual cash base fees.
- 
5. **Compensation Review.**  
The Compensation Committee will annually review, and (when it deems appropriate) recommend to the full Board changes in, Director compensation and benefits with equity compensation encouraged as a component of Director compensation.
- 
6. **Assessing Board and Committee Performance.**  
The Board shall conduct an annual self-evaluation to determine whether it and its committees are functioning effectively.
- 
7. **Access to Senior Management.**  
Board members have complete and open access to senior members of management. The Chief Executive Officer shall invite key employees to attend Board sessions at which the Chief Executive Officer believes they can contribute to Board discussion.
- 
8. **Confidentiality.**  
The Board believes maintaining confidentiality of information and deliberations is imperative.
-



## Corporate Governance Guidelines



9. **Board of Directors' Resources.**  
The Board of Directors shall have the authority to obtain advice and seek assistance from advisors and consultants.

10. **Director Orientation and Continuing Education.**  
The Board shall make appropriate arrangements with management to orient new Directors with the Company, its business operations, its financial reporting, its industry, its management, the functioning of the Board and other appropriate matters. In addition, management should endeavor to keep both new and continuing Directors informed of significant developments at the Company and in the Company's industry by means of period written reports, oral updates and presentation made at Board meetings and other appropriate means.

11. **Management Succession.**  
The Board, or a committee thereof, should agree on general criteria for the Company's succession planning, including succession planning in the case of the incapacitation, retirement or removal of the Chief Executive Officer or in the event of an emergency.

- II. Committee Issues**
1. **Board Committees; Committee Charters.**  
The Board currently has the following five Committees: the Audit Committee; the Compensation Committee; the Executive Committee; the Government Security Committee; and the Nominating/Corporate Governance Committee. Each Committee shall consist of at least two Directors, and the Audit Committee shall consist of at least three members, each of whom shall satisfy the independence (and, in the case of the Audit Committee, the financial literacy and experience) requirements of Section 10A of the Securities Exchange Act of 1934, the New York Stock Exchange and any other regulatory requirements. The Government Security Committee shall be chaired by an "Outside Director" satisfying the requirements of the U.S. Department of Defense.

The Audit Committee, the Compensation Committee, the Executive Committee, the Government Security Committee and the Nominating/Corporate Governance Committee shall each have appropriate written charters. The charters of the Audit Committee, the Compensation Committee and the Nominating/Corporate Governance Committee will be made available on the Company's website at: [www.gpstrategies.com](http://www.gpstrategies.com).

2. **Rotation of Committee Assignments and Chairs.**  
Committee assignments and the designation of Committee Chairs should be based on the Director's knowledge, interests, qualifications and areas of expertise. The Board does not favor mandatory rotation of Committee assignments or Chairs. The Board believes experience and continuity are more important than rotation. Committee members and Chairs should be rotated only if rotation is likely to improve Committee performance.



## Corporate Governance Guidelines



### III. Duties and Responsibilities of the Committees

#### 1. Executive Committee.

The Executive Committee has the powers and responsibilities set forth in its Charter (which is available on the Company's Web site at "[www.gpstrategies.com](http://www.gpstrategies.com)"). During the intervals between Board meetings, the Executive Committee shall have, and may exercise, all the powers and authority of the Board in the management of the Company's business to the fullest extent permitted by its Charter and applicable law.

#### 2. Audit Committee.

The Audit Committee has the powers and responsibilities set forth in its Charter (which is available on the Company's Web site at "[www.gpstrategies.com](http://www.gpstrategies.com)"). The role of the Audit Committee is oversight. The members of the Audit Committee are not employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Audit Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of Management and the Company's independent auditors.

#### 3. Compensation Committee.

The Compensation Committee shall have the powers and responsibilities set forth in its Charter (which is available on the Company's website at "[www.gpstrategies.com](http://www.gpstrategies.com)").

#### 4. Nominating/Corporate Governance Committee.

The Nominating/Corporate Governance Committee shall have the powers and responsibilities set forth in its Charter (which is available on the Company's website at "[www.gpstrategies.com](http://www.gpstrategies.com)").

#### 5. Government Security Committee.

The Government Security Committee shall have the powers and responsibilities set forth in its Charter.

### IV. Other Principles

#### 1. Disclosure of Corporate Governance Principles.

These Corporate Governance Principles will be made available on the Company's website at [www.gpstrategies.com](http://www.gpstrategies.com).



## Corporate Governance Guidelines



**Appendix I. Criteria for Selecting New Directors** The Company should seek candidates who possess qualifications and expertise that will enhance the composition of the Board, including the considerations set forth below. The considerations set forth below are not meant as minimum qualifications, but rather as guidelines in weighing all of a candidate's qualifications and expertise.

- Candidates should be individuals of personal integrity and ethical character.
- Candidates should have background, achievements, and experience that will enhance the Board. This may come from experience in areas important to the Company's business, substantial accomplishments or prior or current associations with institutions noted for their excellence. Candidates should have demonstrated leadership ability, the intelligence and ability to make independent analytical inquiries and the ability to exercise sound business judgment.
- Candidates should be free from conflicts that would impair their ability to discharge the fiduciary duties owed as a director to the Company and its stockholders, and the Company will consider directors' independence from the Company's management and stockholders.
- Candidates should have, and be prepared to devote, adequate time and energy to the Board and its committees to ensure the diligent performance of their duties, including by attending meetings of the Board and its committees.
- Due consideration will be given to the Board's overall balance of diversity of perspectives, backgrounds and experiences, as well as age, gender and ethnicity.
- Consideration will also be given to relevant legal and regulatory requirements.

Approved by the Board of Directors on August 8, 2018