

**POWER SOLUTIONS INTERNATIONAL, INC.  
CORPORATE GOVERNANCE GUIDELINES**

**Purpose**

The business of Power Solutions International, Inc. (the “Company”) is managed by its Board of Directors (the “Board”), which is elected by the Company’s stockholders. The basic responsibility of the Board is to exercise its business judgment to act in what it believes to be the best interests of the Company and its stockholders. The Board believes that sound governance practices and policies provide an important framework to assist it in fulfilling its duties. The Board will rely on the following guidelines to provide that framework.

These Corporate Governance Guidelines should be interpreted in the context of all applicable laws and regulations, the Company’s Certificate of Incorporation and Bylaws, and the charter documents of any committees of the Board. They are intended to serve as a flexible framework for the effective functioning of the Board and not as a legally binding obligation, and are subject to modification from time to time as the Board may deem appropriate, or as required by applicable law or regulation.

**Composition of the Board of Directors**

**Generally.** The Board is responsible for reviewing, on an annual basis, the requisite skills and characteristics of new Board candidates, as well as the composition of the Board as a whole. This assessment will include consideration of factors such as diversity (with diversity being broadly construed to mean a variety of opinions, perspectives, personal and professional experiences and backgrounds, including differences in gender, race, and ethnicity, as well as other differentiating characteristics), character, judgment, skills and experience in the context of the Board’s needs.

**Size of Board.** The Company’s Certificate of Incorporation provides for a Board consisting of not less than five (5) nor more than eleven (11) directors. It is the Company’s policy that the number of directors not exceed a number that can function efficiently and yet still allows for a diversity of views.

**Director Qualification Standards.** Directors should possess the highest personal and professional ethics and be committed to representing the long-term interests of the Company, without favoring or advancing the interests of any particular constituency of the Company. Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively and should be committed to serve on the Board for an extended period of time. Directors are expected to promptly inform the Board in the event of any significant change in their personal circumstances, including a change in or termination of their principal job responsibilities, that may affect their ability to serve effectively as a member of the Board. The Board shall review whether such change is consistent with the rationale of originally selecting such person as a director and/or will interfere with his or her ability to perform Board duties and shall take any necessary action with respect to such director. Directors shall offer their resignation in writing upon deciding to leave the Board for any reason.

**Chief Executive Officer; Chairman of the Board; Lead Outside Director.** The Board’s policy on separation of the roles of Chairman of the Board and Chief Executive Officer (“CEO”) is to provide flexibility to the Board to determine whether to separate the roles based on circumstances that exist from time to time. Separation of the roles may be appropriate under certain circumstances but is not required. In addition, in connection with the selection of a new CEO, the Board shall consider the most appropriate leadership structure for the Company. If the Chairman of the Board is a member of management, then the

non-management directors may designate one non-management director to serve as the “Lead Outside Director.” If so designated, the Lead Outside Director shall serve for such term as the non-management members of the Board shall determine.

The rights and duties of the Lead Outside Director, if any, shall include, among other rights and duties, (i) presiding at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of non-management directors, (ii) serving as liaison between the Chairman of the Board and the non-management directors, (iii) approving information sent to the Board as a whole, (iv) having the authority to call meetings of the non-management directors, (v) approving meeting agendas for the Board, (vi) approving meeting schedules for the Board, and (vii) if requested by significant stockholders of the Company, being available for consultation and direct communication with such stockholders (subject to compliance with applicable Company policies). A description of the Board’s rationale for choosing its leadership structure shall be included in the Company’s proxy statement related to its annual meeting of stockholders.

**Director Orientation and Continuing Education.** Management, working with the Board, shall provide an orientation process for new directors, including background material on the Company and its business. As appropriate, management shall prepare additional educational sessions for directors on matters relevant to the Company and its business. Directors are encouraged to participate, at the Company’s expense, in continuing director education programs.

**Director Limitation of Service on Other Boards.** Subject to further limitations for directors set forth in the Company’s Nominating and Governance Committee Charter and for employee directors set forth below, it is the Company’s policy that no director be permitted to serve on the board of directors of more than four other non-affiliated public companies, unless the Board determines that a director serving on the board of directors of such other non-affiliated public companies does not impair the ability of such director to effectively serve on the Board and approves such additional service. In addition, a director should advise the Nominating and Governance Committee, through its chairperson, in advance of accepting an invitation to serve on the board of a public company.

**Employee Limitation of Service on Boards.** No director who is an active full-time employee of the Company shall serve as a director of more than one other non-affiliated publicly held company, and there shall be no interlocking board memberships whereby an executive officer of the Company serves on the compensation committee of another entity that concurrently employs a director of the Company as an executive officer, without the approval of the Board. In addition, any non-director member of the executive management team who wishes to serve as a director of one or more non-affiliated publicly held companies must first seek approval by the Nominating and Governance Committee in advance of accepting an invitation to serve on the board of a public company.

**Term Limits for Directors.** The Board does not believe it should establish term limits for directors. Term limits have the disadvantage of causing the loss of the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations, and therefore provide an increasing contribution to the Board as a whole. As an alternative to term limits, the Board will review each director’s continuing service on the Board at such time as a director is considered as a nominee for re-election.

**Retirement Age.** Non-management directors shall not stand for reelection at the first annual meeting following age 75.

## Independence of Directors

Unless the Company avails itself of the “controlled company” exemptions under the applicable securities exchange standards, it is a policy of the Company that at least a majority of the directors be “independent directors,” as provided below. The Board recognizes that directors who do not meet the independence standards below nevertheless make valuable contributions to the Board and to the Company by reason of their experience and wisdom.

All determinations as to director independence will be made using the applicable director independence definition of any national securities exchange upon which the Company’s equity securities become listed or, so long as no equity securities of the Company are listed on any national securities exchange, the director independence definition of the NASDAQ Stock Market applicable to companies with equity securities listed thereon. The Board must affirmatively determine, by resolution of the Board as a whole, whether a non-employee director has any relationship with the Company (either directly or as a partner, equity holder or officer of an organization that has a relationship with the Company) that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and must disclose these determinations. Independence determinations will be made on an annual basis at the time that the Board approves director nominees for inclusion in the Company’s proxy statement for its annual meeting of stockholders or at any time a director joins the Board between annual meetings of stockholders. The Board will broadly consider all relevant facts and circumstances in determining director independence.

The Company will not make any personal loans or extensions of credit to directors or executive officers. All directors are required to deal at arm’s length with the Company and its subsidiaries and to disclose circumstances material to the director that might be perceived as a conflict of interest.

## Responsibilities of the Board of Directors

The basic responsibility of the Board is to exercise its business judgment on behalf of the Company. In discharging this obligation, the Board shall be entitled to rely on the honesty and integrity of the Company’s senior management and its outside advisors and independent auditors.

The Board represents stockholders’ interests in perpetuating a successful business and optimizing long-term financial returns in a manner consistent with applicable legal requirements and ethical considerations; it is responsible for guiding the Company’s mission, purpose and strategy and identifying and taking actions designed to help achieve this result. In addition, the Board has the important role of supporting and overseeing management’s performance and directing the organizational leadership and planning of the Company.

**Board Meetings and Attendance; Confidentiality.** The Board shall meet at least four times annually at regularly scheduled meetings (generally at least once during each quarter), in addition to any special meetings, or more frequently as circumstances dictate. A director is expected to devote the time and effort necessary to properly discharge his or her responsibilities. Accordingly, a director is expected to regularly prepare for and attend meetings of the Board and all committees on which the director serves (including separate meetings of non-management directors), with the understanding that, on occasion, a director may be unable to attend a meeting. A director who is unable to attend a meeting is expected to notify the Chairman of the Board or the Chair of the appropriate committee in advance of such meeting, and, whenever possible, participate in such meeting via teleconference.

Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and risks and competition it faces, to ensure active and effective participation in the deliberations of the Board and each committee on which such director serves.

The proceedings and deliberations of the Board and its committees shall be confidential. Each director shall maintain the confidentiality of information received in connection with such director's service as a director and committee member.

**Setting the Board Agenda; Board Materials.** The officer presiding at the meeting or committee chairperson sets the agenda for Board or committee meetings, as applicable, with the understanding that certain items pertinent to the advisory and monitoring functions of the Board or committee be brought to it periodically for review and decision. The Chairman of the Board, the officer presiding at the meeting or committee chairperson, as applicable, shall determine the nature and extent of information that shall be provided to the directors before each scheduled Board or committee meeting. To the extent reasonably possible, Board or committee materials relating to agenda items are to be provided to directors or committee members sufficiently in advance of Board or committee meetings, as applicable, to allow the directors to prepare for discussion of the items at the meeting. Any member of the Board or committee may request at any time that an item be included on the agenda, or that information be included in pre-meeting materials.

**Executive Sessions of Non-Management Directors.** The non-management directors will meet in regularly scheduled executive sessions without management directors present. If the Chairman of the Board is not a member of management, the Chairman of the Board shall preside as chairperson of the executive sessions of non-management directors. If the Chairman of the Board is a member of management, then the Lead Outside Director will preside as chairperson of the executive sessions of non-management directors, or, if no Lead Outside Director has been designated, the chairperson of the Audit Committee will preside as chairperson of the executive sessions of non-management directors.

### **Communications between Stockholders and Directors**

It is the policy of the Company that members of senior management speak for the Company. Stockholders and other interested persons may communicate with directors by writing to them in care of the CEO of the Company. The CEO will receive the correspondence and forward it to the director or directors to whom it is addressed. This policy does not preclude non-employee directors from meeting with stockholders, but any communications from stockholders to directors should be communicated to the CEO, and any meetings between directors and stockholders should be held with management present.

### **Management Succession**

The CEO will periodically review succession plans for senior management with the Board and assist the Board in the identification of successor candidates. These plans shall address: (a) emergency CEO succession, (b) CEO succession in the ordinary course of business and (c) succession for the other members of senior management, which shall include an assessment of senior management experience, performance and skills. The CEO will provide to the Board his or her recommendations and evaluations of potential successors.

### **Committees**

**Composition.** The Board will have designated at all times an Audit Committee, Compensation Committee and Nominating and Governance Committee. The Board may also have such other standing or

ad hoc committees as the Board deems necessary or appropriate. The Board shall appoint a committee chairperson, but if no such chairperson is appointed, members of a committee shall designate a committee chairperson by majority vote. The Nominating and Governance Committee will, at least annually, make recommendations to the Board with respect to membership on, and the chairman of, the committees of the Board.

**Committee Charters.** Each standing committee of the Board shall have its own charter. Each charter shall set forth the purposes and responsibilities of the committees as well as qualifications for committee membership, and certain matters pertaining to committee structure and operations.

**Committee Meetings and Agendas.** The chairperson of each committee, in consultation with the committee members, will be responsible for scheduling and determining the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairperson of each committee, in consultation with the appropriate members of the committee, will develop the committee's agenda. All information pertinent to a committee meeting will be provided to the committee members prior to the meeting. Where appropriate, all materials provided to a committee shall also be provided to the other Board members, and the members of the committee will report their general discussions to the Board at its next regularly scheduled meeting.

### **Evaluation**

**Board Self-Evaluation.** The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Board will receive comments from all directors and annually assess the Board's performance. The results of the self-evaluation will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

**Evaluation of Chief Executive Officer and Management Team.** The Chairman of the Board or, if the Chairman of the Board is a member of management, the Lead Outside Director (or, if no Lead Outside Director has been designated, the chairperson of the Audit Committee) will coordinate an annual review of the performance of the CEO and, in consultation with the CEO, the Company's other executive officers in light of goals and objectives established by the Board, before setting their salaries, bonus and other compensation (e.g., deferred, incentive and/or equity-based compensation). The Board will oversee the evaluation by the Compensation Committee and CEO of other executive officers' performances and compensation levels.

### **Director Access to Officers, Employees and Advisors**

Directors should have full and free access to officers and employees of the Company, and, where the Board or a Board committee deem necessary or appropriate, or as otherwise provided in a committee charter, to independent advisors. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the corporate secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will copy the CEO on any written communications between a director and an officer or employee of the Company, unless, in connection with an investigation being conducted by the Board or a committee thereof, the Board or such committee determines that it should not so copy the CEO. Any access of an employee should be made known to that employee's superior, unless the access has to do with an investigation of that superior.

## Director Compensation

**General Principles of Director Compensation.** The Board believes that the amount of director compensation should fairly reflect the contributions of the directors to the performance of the Company. The compensation of a director should be for participation in Board and committee meetings and for ad hoc projects assigned to a director in fulfillment of his or her director responsibilities, as approved in advance by the Board. The compensation of the directors of the Company should generally be consistent with the director compensation policies and practices of other comparably situated companies. Only non-employee directors shall receive compensation for services as a director. All other transactions or arrangements with a director, or an affiliated person or entity of the director, should be approved by the Board or the Audit Committee in accordance with the Company's governing documents and Related Party Transactions Policy, applicable law and regulations.

**Review of Director Compensation.** The Board shall be responsible for periodically evaluating and approving director and committee compensation taking into consideration the recommendation of the Compensation Committee.

**Stock Ownership by Non-Employee Directors.** It is the Company's policy to encourage all non-employee directors, consistent with their responsibilities to the Company's stockholders, to hold a meaningful equity interest in the Company.

**Stock Ownership by the CEO.** It is the Company's policy that the CEO, consistent with his or her responsibilities to the Company's stockholders, hold a meaningful equity interest in the Company.

## Code of Ethics

The Board expects the Company's directors, as well as its officers and employees, to act ethically and in compliance with applicable law at all times. The Company's CEO, CFO, Chief Operating Officer, Senior Vice President of Finance, Vice President of Finance and any other senior financial officers and employees as may be determined from time to time by the Company are also required to abide by the Company's Code of Ethics for Principal and Senior Financial Officers.

If a director becomes involved in activities or interests that conflict or appear to conflict with the interests of the Company and these activities result in an actual or potential conflict of interest, the director is required to disclose such conflict promptly to the Audit Committee. The Board will determine an appropriate resolution on a case-by-case basis, taking into consideration the recommendation of the Audit Committee. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Board will resolve any conflict of interest question involving the CEO or other executive officers of the Company, taking into consideration the recommendation of the Audit Committee.

## Periodic Review

These Corporate Governance Guidelines will be reviewed by the Board and the Nominating and Governance Committee from time to time and may be modified as the Board considers necessary or advisable in accordance with sound corporate governance policies and practices.

***Adopted by the Board of Directors: June 9, 2020***