



# CORPORATE GOVERNANCE GUIDELINES

# PARSONS CORPORATION CORPORATE GOVERNANCE GUIDELINES



## I. Board of Directors

The business and affairs of Parsons Corporation (the “Company”) are managed under the direction of the Board of Directors of the Company (the “Board”). The Board represents the interests of its stockholders in optimizing the Company’s long-term value by providing oversight of management performance in the operation of the Company. The Board’s responsibilities in performing this oversight function include a duty of care and a duty of loyalty. It discharges its obligations through various committees and, as a whole, through regular and special meetings throughout the year. It appoints the Chief Executive Officer and other senior officers of the Company.



## II. Director Responsibilities

A director’s duty of care refers to the responsibility to exercise appropriate diligence in overseeing the management of the Company, making decisions, and taking other actions. In meeting the duty of care, directors are expected to:

- Attend and participate in Board and committee meetings. Personal participation is required.
- Remain properly informed about the Company’s business and affairs. Directors should review and devote appropriate time to studying Board materials.
- Rely on others. Absent knowledge that makes reliance unwarranted, directors may reasonably rely on Board committees, management employees, and professional advisors.
- Make inquiries. Directors should make inquiries about potential problems that come to their attention and follow up until they are reasonably satisfied that management is addressing them appropriately.

A director’s duty of loyalty refers to the responsibility to act in good faith and in the Company’s best interests, not the interests of the director, a family member, or another organization with which the director is affiliated. Directors should not use their positions for personal gain.

In addition to the above responsibilities as members of the Board, the Chairs of the Board committees are expected to:

- Set the tone for committee work
- Ensure that committee members have the information needed to perform their duties
- Oversee the logistics of the committee’s operations
- Report to the Chairperson of the Board, and to the full Board on committee decisions/recommendations
- Work closely with the Chief Executive Officer and other staff as agreed to by the Chief Executive Officer
- Assign work to committee members, set agendas and lead meetings, and ensure distribution of meeting minutes
- Initiate and lead committee’s annual evaluation



### III. Board Leadership

#### A. Selection of Chairperson and Chief Executive Officer

The Board annually selects the Chairperson of the Board and the Chief Executive Officer of the Company, and may terminate either position at its discretion. At times, these positions may be combined, and at times they may be separated; currently, the positions are combined. The Board considers the combination or separation of these offices in its annual selection of the Chairperson and the Chief Executive Officer and as part of the succession planning process, and reserves the right to make this determination on a case-by-case basis, as it deems appropriate, in light of existing circumstances at the time the decision is made.

#### B. Lead Independent Director

During those times when the positions of Chairperson and Chief Executive Officer are combined, the independent directors shall elect a Lead Independent Director from among themselves. The Lead Independent Director shall serve an initial three-year term and may be re-elected to the position thereafter to successive like terms by the independent directors. The Lead Independent Director shall have the following duties:

- Chair meetings of the Board when the Chairperson is absent
- Call meetings of the independent directors as necessary or appropriate and chair all such meetings, including all executive sessions of the Board
- Facilitate communications between the independent directors and the Chairperson
- Advise the Chairperson as to the appropriate schedule of Board meetings, and review and provide the Chairperson with input as to the agendas for such meetings
- Review the quantity, quality, and timeliness of information provided to the Board
- Be available for consultation with Company shareholders
- Perform such other duties as the Board may, from time to time, determine



### IV. Selection and Composition of the Board

#### A. Number of Directors

Pursuant to the Company's bylaws, the total number of directors shall be determined by the Board from time to time. The current number of directors of the Company is nine (9).

#### B. Qualifications; Independence

The Nominating and Corporate Governance Committee, in recommending director candidates, and the Board, in nominating director candidates, will evaluate candidates in accordance with the qualification standards set forth in [Exhibit A](#) to these Corporate Governance Guidelines. In addition, the Nominating and Corporate Governance Committee and the Board may also consider the additional selection criteria listed in [Exhibit A](#).

Except as otherwise permitted by the applicable New York Stock Exchange ("NYSE") rules, the Board will consist of a majority of directors who qualify as independent directors as required under NYSE rules.

#### C. Separate Sessions of Independent Directors

The independent directors will meet in executive session without non-independent directors or management present on a regularly scheduled basis. The Company will hold an executive session including only independent directors at least once per year.

#### D. Change of Position

A director whose primary job position changes from that which he or she occupied at their most recent election to the Board must notify the Board of such change and must tender his or her resignation from the Board. The Nominating and Corporate Governance Committee determine whether the effect such change in job position has on the director's ability to fulfill his or her obligations to the Board, and will recommend to the full Board whether to accept or reject the offered resignation.



A person holding the position of Chief Executive Officer of the Company who is also a Board member must tender his or her resignation from the Board at the same time as his or her tenure as Chief Executive Officer ends, provided that it is within the discretion of the Board to accept or reject such resignation.

### **E. Director Tenure, Retirement, and Succession**

The Board is a staggered Board, comprised of three classes of directors, with as nearly equal number of directors in each class as possible. At each annual meeting of shareholders, one of the three classes of directors is elected, for a three-year term. A director shall retire from the Company's Board at the next annual shareholder's meeting, after he or she has reached the age of 75.

A director who resigns or retires prior to the completion of his or her term may be replaced by a vote of a majority of the directors still in office. The newly appointed director shall hold office until the next election of the class of directors to which he or she was appointed.

A director may be removed for cause only and may only be removed the Board.

### **F. Service on Other Boards**

The Board has not set a maximum number of other boards on which directors of the Company may serve. Each director must decide whether he or she can continue to meet his or her duty of care to the Company prior to accepting a position on another company's board of directors, and should notify the Chairperson of the Nominating and Corporate Governance Committee and the Chairperson of the Board prior to accepting an invitation to serve on another board. In addition, each director must disclose its membership on other boards of directors to the Board on an annual basis, and the Board may determine that the number of boards on which a director sits impairs the director's ability to be an active, contributing member of the Board of the Company. The chairperson of the Nominating and Corporate Governance Committee shall review the proposed board membership to ensure compliance with applicable laws and policies.

Service on other boards and/or committees should be consistent with the Company's conflict-of-interest policies.



## **V. Board Meetings**

### **A. Frequency of Meetings**

The Board currently holds four regularly scheduled meetings per year. One of the regularly scheduled meetings is an extended two-day meeting to review the strategic direction of the Company.

The Board also holds special meetings as needed throughout the year.

### **B. Agenda of Meetings**

The chairperson of the Board establishes the agenda for each meeting, in consultation with the Lead Independent Director. In addition, the chairperson, in consultation with the chairperson of each Board Committee, establishes the agenda for each committee meeting. Any Board or committee member may suggest additional items for the agenda, and any Board or committee member may bring up any matter that is not on the agenda for discussion and action at any meeting.

### **C. Director Attendance**

A director is expected to spend 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 sits, with the understanding that, on occasion, a director may be unable to attend a meeting. A director who is unable to attend a meeting of the Board or a committee of the Board is expected to notify the Chairperson of the Board or the chairperson of the appropriate committee in advance of such meeting, and, whenever possible, participate in such meeting via teleconference in the case of an in-person meeting.

### **D. Distribution of Materials for Board Meetings**

To the extent practicable, materials to be considered at Board or committee meetings are distributed prior to the meeting to give directors the opportunity to review such materials before the meeting.

## E. Executive Sessions

The Board regularly holds executive sessions without attendance of employee directors immediately after regularly scheduled Board meetings, and after special meetings, if the circumstances require. In addition, each Board committee holds an executive session immediately after a committee meeting, without the presence of employee directors, as the committee determines may be required.

## F. Access to Senior Management and Outside Advisors

The Board and any committee of the Board, as a whole or through individual directors, has the authority to reach out to any of the Company's senior management to discuss or investigate any matter it wishes to pursue. In addition, the Board and any committee of the Board may retain outside legal counsel or other outside advisors whenever it deems necessary or advisable to do so.

## G. Attendance of Non-Directors

The Board encourages the Chairperson of the Board or of any committee to invite Company management and outside advisors or consultants, from time to time, to participate in Board and/or committee meetings to (i) provide insight into items being discussed by the Board which involve the manager, advisor, or consultant; (ii) make presentations to the Board on matters which involve the manager, advisor, or consultant; and (iii) bring managers with high potential into contact with the Board. Attendance of non-directors at Board meetings is at the discretion of the Board.



# VI. Board Committees

## A. Number of Committees

The Board is required by its bylaws to establish a Nominating and Corporate Governance Committee. The Board also may create any additional committees it deems necessary or advisable. Currently, the Board has four committees: the Nominating and Corporate Governance Committee; the Audit Committee; the Compensation Committee; and the Executive Committee.

Each Committee has a written charter setting forth the duties of the committee, the minimum number of members for the committee, and the requirements for conducting meetings of the Committee.

(i) Nominating and Corporate Governance Committee – Among other duties, the Nominating and Corporate Governance Committee shapes the Company's governance policies; oversees an annual assessment of the Board and its committees; recommends the slate of director nominees for election at the annual shareholders' meeting; identifies qualified candidates for new membership on the Board of Directors; reviews the appropriateness of the size and composition of the Board; establishes criteria for determining Director independence; recommends the composition of each of the Board committees and the Chair of each committee for the consideration of the full Board; and reviews the long-term succession planning for the Chairperson, the Chief Executive Officer, and the President of the Company. The full duties of the Nominating and Corporate Governance Committee are set forth in the committee's charter.

(ii) Audit Committee – Among other duties, the Audit Committee selects the independent accounting firm to act as external auditor of the Company and sets the terms of the firm's engagement; it selects the head of the internal audit function within the Company; it reviews the reports of the external and internal auditors; it reviews and approves the Company's Code of Conduct and the policies and procedures implementing the Code; it reviews the Company's reporting systems and practices and its internal financial controls; it reviews the Company's risk assessment and risk management guidelines and policies; it reviews the Company's fraud prevention policies and procedures and its litigation risk exposure. The full duties of the Audit Committee are set forth in the committee's charter.

(iii) Compensation Committee – Among other duties, the Compensation Committee reviews and approves the benefit and incentive plans of the Company; the salary, bonus, and other benefits of the senior executives of the Company; and the compensation for outside directors. The full duties of the Audit Committee are set forth in the committee's charter.

(iv) Executive Committee – The Executive Committee, with certain enumerated exceptions, has the power to act in the place of the full Board. Among its specifically enumerated duties, it reviews key actions to be taken by the Company, including acquisitions and divestitures, and provides counsel to the Chairperson regarding business issues of the Company. The full duties of the Executive Committee are set forth in the committee's charter.

## B. Committee Membership

The charter of each Committee provides that the Committee must have at least three members. Currently, the Nominating and Corporate Governance Committee has four members, the Compensation Committee has four members, the Audit Committee has five members, and the Executive Committee has five members.

The Nominating and Corporate Governance Committee is charged with recommending committee appointments to the full Board, which approves the assignments on an annual basis.

## C. Committee Meetings

The Audit Committee is required by its charter to have at least four meetings per year. The Compensation Committee, Nominating and Corporate Governance Committee, and the Executive Committee meet as determined by their Chairpersons.

The Chair of each committee sets the agenda for the Committee meeting, in consultation with the Chairperson of the Board. Directors who are not members of a committee are invited to attend the committee meetings as non-voting observers.



## VII. Director Compensation

Employee directors are not compensated for their service as a member of the Board. The amount of compensation is reviewed periodically by the Compensation Committee of the Board, with the assistance of an outside compensation consultant.

Except as otherwise permitted by the applicable NYSE rules, members of the Audit Committee and Compensation Committee may not directly or indirectly receive any compensation from the Company other than their directors' compensation, including any compensation for service on committees of the Board and the receipt of equity incentive awards.



## VIII. Director Orientation and Continuing Education

An orientation session is held for all new members of the Board, to review the history of the Company, its current business activities, its risk profile, and its strategic plan for the future growth of the Company. Directors are encouraged to participate in continuing-education programs to assist them in the performance of their duties as directors of the Company. In addition, the Company periodically provides training to the Board on matters of significance to the Company.



## IX. Board and Chief Executive Officer Evaluation

The Board undertakes an annual evaluation of its performance, led by the Chairperson of the Nominating and Corporate Governance Committee. In addition, each committee of the Board undertakes an annual evaluation of the committee's performance and of the adequacy of its charter.

The Compensation Committee undertakes an annual evaluation of the Chief Executive Officer. This review is undertaken as part of the Board's determination of the annual compensation of the Chief Executive Officer.



## X. Management Succession

The Nominating and Corporate Governance Committee of the Board, on a periodic basis, reviews with the Chairperson of the Board and the Chief Executive Officer both the long-range and the short-term succession plans for the position of Chairperson, Chief Executive Officer, and President.



## XI. Review of These Guidelines

The Nominating and Corporate Governance Committee shall review these guidelines on an annual basis, and recommend any changes it deems necessary or advisable to the Board for consideration and approval.

# EXHIBIT A

## BOARD OF DIRECTORS POSITION DESCRIPTION



### Director Qualification Standards

The Nominating and Corporate Governance Committee, in recommending director candidates for election to the Board of Directors (the “Board”) of Parsons Corporation (“Parsons”), and the Board, in nominating director candidates, will consider candidates who have a high level of personal and professional integrity, strong ethics and values, and the ability to make mature business judgments.

#### Key Selection Criteria

Prospects for the Board will have at least one of the following key experience profiles:

- A senior US-based executive with current or former operating experience as a leader of a significant business or government or military unit.
- Strong understanding of the federal services or engineering-procurement-construction industries through direct or indirect involvement.
- Thorough knowledge of the requirements of publicly traded corporations.
- Prioritization of skills/background
- Senior US-based executive with business operating experience or government or military service
- CEO (current or former) of a multinational corporation with revenues historically greater than Parsons
- Demonstrated knowledge of operations and international challenges, including North America (emphasis on US and Canada), Middle East and North Africa (emphasis on UAE, KSA, Qatar, Oman), Latin America (emphasis on Brazil), and AustralAsia (emphasis on Australia and New Zealand)
- Technology, engineering, or other technical education/background preferred
- Executive with private equity experience, with track record of successful deals and/or service as interim CEO of acquired units

#### Personal Characteristics

- Intelligent with ability to communicate complex thoughts succinctly
- Humble, thoughtful
- Willing to speak out
- Collaborative, collegial
- Broad and strategic thinker
- Respectful, strong reputation
- Engaging, with a good understanding of risk

The Board will also consider the diversity of the candidate, which is defined broadly to include experience, background, and other factors, including gender, age, race, and other characteristics. In addition, the Board will consider whether there are potential conflicts of interest with the candidate’s other personal and professional pursuits.

The Board should monitor the mix of specific experience, qualifications, and skills of its directors in order to ensure that the Board, as a whole, has the necessary tools to perform its oversight function effectively in light of Parsons’ business and structure.