

Versar Board of Directors Corporate Governance Guidelines

The Mission of the Versar Board of Directors. The Versar Board of Directors represents the stockholders' interests in perpetuating a successful business, including optimizing long-term value of the Company for its shareholders. The Board is responsible for ensuring that the Corporation is managed in such a way as to achieve this result. This is an active, not a passive responsibility. The Board must ensure that Management is capable of executing its responsibility. To fulfill this responsibility, the Board regularly monitors the effectiveness of Management's policies and decisions and the execution of its strategies.

Selection and Composition of the Board.

1. *Board Membership Criteria.* The Board shall consist of individuals with the appropriate skills and characteristics required of Board members of a publicly-held company for the business lines in which the Corporation is engaged. Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the shareholders.
2. *Selection of New Directors.* The Board, acting through the Nominating & Governance Committee, is responsible for identifying and selecting its members as well as recommending them for annual election by the shareholders. The Committee shall seek input from the Chairman of the Board as well as the Chief Executive Officer on the selection process. The Nominating & Governance Committee shall have the authority to propose directors for approval by a majority of the Board's independent directors. The Board endeavors to have directors representing diverse experience from the public and private sectors in areas relevant to the Company's activities.
3. *Selection of Chairman.* The Board shall annually elect a Chairman from among its members and, upon recommendation of the Chairman, select members of the various committees established by the Board, including the chairmen of the committees.
4. *Size of the Board.* The Board, in consultation with the Nominating & Governance Committee, annually determines the number of directors appropriate for the Company, which shall not be fewer than seven, the minimum required by the Company's Bylaws.
5. *Mix of Inside and Outside Directors.* The Board believes that, as a matter of policy, a majority of the Board members should be independent directors. The Chief Executive Officer should be a member of the Board. Managers other than the Chief Executive Officer will frequently attend Board meetings at the request of the Board even though they are not members of the Board.
6. *Board Definition of What Constitutes Independent Directors.* The Board adopts the definition of an independent director set forth in Section 803 of the Listing Rules for the NYSE Amex, as it is amended or modified from time to time. With respect to the Audit Committee, the Board recognizes that the requirements for independence include

those requirements set forth in the Sarbanes Oxley Act of 2002, as amended, and as interpreted by the rules and regulations of the Securities and Exchange Commission.

7. *Director Selection Criteria.* The Board endeavors to have members with the knowledge, experience and skills necessary to perform the Board's function to oversee the Company's operations and advise Management on the Company's strategy and operations, thereby optimizing the long-term value of the Company for its shareholders. To meet these goals and to meet its obligations to the shareholders, the Board has adopted the following selection criteria for Board Membership:

- A. Board Members will have a diverse skill base consistent with good business practice, ethical conduct and experience in areas relevant and necessary to the Company's activities. Qualifications include experience in marketing, finance, operations, and other disciplines relevant to the success of a publicly traded company; understanding of the Company's businesses; appropriate educational and professional background; and personal accomplishment.
- B. Each member will demonstrate the ability and willingness to commit sufficient time in service of the Board.
- C. Each member will have individual experience that includes leadership over an extended period of time in business, government, or public service.
- D. The Board will seek appropriate age, gender, and ethnic diversity in its membership.
- E. No individual shall be nominated as a director who will be 72 years of age or older at the time of election.
- F. No individual shall serve more than 15 years on the Board.
- G. No director shall serve on more than four boards of public companies – including Versar.

The selection criteria set forth in Sections 7E and 7F shall not apply to any individuals who were members of the Board as of July 1, 2008.

8. *Renominations.* The Chairman of the Nominating & Governance Committee, in consultation with the Chief Executive Officer and the Chairman of the Board, will formally review each director's continuation on the Board every year, taking into account past attendance at Board and Committee meetings, participation in and contributions to the activities of the Board, and results of the most recent Board self-evaluation. Each director will be allowed the opportunity to confirm his/her desire to continue to be a member of the Board and agreement to commit the time and effort required of directors of a public company.

Board Compensation and Equity Ownership

9. *Board Compensation and Equity Ownership.* It is appropriate for the Compensation Committee, in consultation with the Chief Executive Officer and Chairman of the Board, to review Board compensation on an annual basis. The Board

believes that a meaningful portion of the compensation should be provided through direct ownership, or indirect ownership through stock options, of the Corporation's common stock.

10. *Board Equity Ownership.* Each Board member should achieve, over a period of three years, ownership of stock or options equal in value to three times a director's base compensation.

Board Performance and Access

11. *Assessing the Board's Performance.* The Nominating & Governance Committee is responsible to report annually to the Board an assessment of the Board's performance. The full Board will discuss the assessment at the meeting following the end of the fiscal year and at the same time that the Nominating & Governance Committee recommends individuals for nomination to the Board for the coming year. This assessment should be of the Board's contribution as a whole and specifically review areas where the Board and/or the Management believes a better contribution could be made.

12. *The Board's Interaction with Outside Parties.* The Board believes that the Management speaks for Versar. Individual Board members, may, from time to time, at the request of Management, meet or otherwise communicate with various constituencies that are involved with Versar. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman.

13. *Board Access to Senior Management.* Board members shall have complete access to Versar's Management. It is assumed that Board members will use good judgment to be sure this contact is not distracting to the business operations and that such contact, if in writing, be copied to the Chief Executive Officer and the Chairman of the Board. Furthermore, the Board encourages Management to, from time to time, bring managers into Board meetings, who: (a) can provide additional insight into the items being discussed because of their personal involvement in these areas, and/or (b) represent managers with future potential that the Senior Management believes should be given exposure to the Board.

14. *Waiver.* The Board may at any time, by majority vote, waive any guideline contained herein as it applies to a specific member of the Board.

Board Procedures and Leadership Development

15. *Timing of Meetings.* The Board shall meet at least on a quarterly basis, and more frequently as required.

16. *Selection of Agenda for Board Meetings.* The Chairman of the Board and the Chief Executive Officer will establish the Agenda for each Board Meeting. Each Board member is free to suggest the inclusion of items on the Agenda.

17. *Board Committees.* At all times, the Board shall maintain committees in accordance with the requirements of the Listing Rules of the NYSE Amex, including rules requiring the independence of committee members. The committee structure of the Corporation in place as of August 27, 2014, has been evaluated in accordance with such Listing Rules and is appropriate for the needs of Versar. The Board shall have the authority, consistent with the Listing Rules, to form a new committee or disband a current committee, depending upon circumstances. The current four committees are: Audit, Executive, Compensation, and Nominating & Governance. The Board will determine the committee membership from time to time.

The committees of the Board of Directors shall have such responsibilities and perform such duties as are defined for such committees by the Corporation's Bylaws, Delaware General Corporation Law, the Listing Rules of NYSE Amex and the charters adopted with respect to each such committee. In addition to such duties as are specifically prescribed by law or the Listing Rules or set forth in the Bylaws and charters, the following duties shall apply:

- A. The Audit Committee shall be charged with reviewing and approving all related party transactions involving Versar, its officers, directors and stockholders. The Audit Committee shall review the terms and conditions of any such related party transaction in accordance with the requirements of law and shall ensure adequate disclosure of any such transaction in Versar's financial statements and filings with the Securities and Exchange Commission.
- B. The Compensation Committee shall have sole responsibility, in consultation with other independent directors of the Board, for structuring and approving the compensation of the Chief Executive Officer on an annual basis.
- C. The Nominating & Governance Committee shall be charged with approving all nominations to the Board of Directors. Such nominations may arise from a variety of sources but must be reviewed and approved by the Nominating & Governance Committee.
- D. The Executive Committee shall be charged with management of the business and affairs of the Company when it is impracticable for the full Board of Directors to act, and to consider matters concerning the Company that may arise from time to time. However, the Executive Committee may not undertake any action that, pursuant to any applicable law, regulation or listing standard, must be performed by another committee of the Board or cannot be delegated to a committee of the Board, including, without limitation, any of the following actions:
 - (i) Amend the Company's Certificate of Incorporation or the Bylaws;
 - (ii) Adopt an agreement or plan of merger, share exchange, or consolidation to which the Company is a party;

- (iii) Recommend to the stockholders of the Company any action which requires stockholder approval including, but not limited to, (a) the sale, lease, or exchange of all or substantially all of the Company's property or assets or (b) a dissolution of the Company or a revocation of a dissolution of the Company;
- (iv) Elect or remove directors;
- (v) Declare a dividend or authorize the issuance of capital stock of the Company; or
- (vi) Take any other action or exercise any authority prohibited by law or the Company's Certificate of Incorporation or Bylaws.

18. *Leadership Development.* The independent directors on the Board shall formally evaluate the Chief Executive Officer annually, and the results of this evaluation shall be communicated to the Chief Executive Officer by the Chairman of the Board and the Chairman of the Compensation Committee. This evaluation shall be based on objective criteria - the performance of the business, accomplishment of long-term strategic objectives, development of Management and other criteria. The evaluation will be used by the Compensation Committee in evaluating the compensation of the Chief Executive Officer.

19. *Succession Planning.* There should also be an annual report by the Chief Executive Officer to the Board on succession planning.

20. *Executive Session.* At every regularly scheduled meeting, the independent directors shall meet in executive session without the presence of non-independent directors or of Management.

Board Duties and Responsibilities

21. The Board shall oversee the performance of the Corporation and the Management and shall perform its duties in conformance with the Corporation's Certificate of Incorporation, By-Laws and Delaware General Corporation Law. Each director shall achieve familiarity with the Corporation's business, strategic and annual plans and financial circumstances.

Directors are expected to attend all scheduled Board and Committee meetings of which they are members.

22. In addition to its general oversight management, the Board also performs a number of specific functions, including:
- A. Selecting and evaluating the CEO and overseeing CEO succession planning;
 - B. Providing counsel and oversight on the selection, evaluation, development and compensation of Senior Management;
 - C. Reviewing, approving and monitoring fundamental financial and business

strategies and major corporate actions;

- D. Assessing major risks facing the Company – and reviewing options for their mitigation; and
- E. Ensuring processes are in place for maintaining the integrity of the Company – the integrity of the financial statements, the integrity of compliance with law, the integrity of relationships with customers and suppliers, and the integrity of the relationships with other stakeholders.

Adopted August 27, 2014