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 gender, race, ethnicity differences, as well as other differentiating characteristics), character, judgment, skills and experience in the context of the needs of the Board.

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 allow 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 should also 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 which exist

from time to time. Separation of the roles may be appropriate under certain circumstances but is not required. The Board believes that this issue is part of the succession planning process and that it in the best interests of the Company for the Board to make a determination when it elects a new CEO. 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). The identity of the Chairman of the Board or Lead Outside Director, if one has been designated shall be set forth in the proxy statement for the Company's annual meeting of stockholders.

Limitation of Service on Other Boards. Subject to further limitations for employee directors set forth below, it is the Company's policy that no director be permitted to serve on the boards of directors of more than three public companies, unless the Board determines that a director serving on the board of directors of more than three 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 Board in advance of accepting an invitation to serve on the board of a public company.

Employee Directors. No director who is an active full-time employee of the Company shall serve as a director of more than one other 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.

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.

No Mandatory Retirement Age for Directors. The Board does not believe that it should establish age limits. The Board believes that each director candidate should be evaluated based upon what he or she can contribute to the Board.

Independence of Directors

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 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. The Board shall meet at least four times annually (generally at least once during each quarter), or more frequently as circumstances dictate. Each member of the Board is expected to regularly attend meetings of the Board and of any Board committee on which he or she serves.

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. If the Chairman of the Board is not eligible to preside at such meetings or executive sessions of non-management directors and no Lead Outside Director has been designated, the chairperson of the Audit Committee shall preside as the chairperson at meetings or 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 Chief Financial Officer ("CFO") of the Company. The CFO 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 and 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 commendations and evaluations of potential successors.

Committees and 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. Committee members will be appointed by the Board. 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.

Committee Charters. Each standing committee of the Board shall have its own charter. Each charter shall set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, and 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.

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 the 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 receive input from the CEO as to the performance of the other executives.

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 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 charter documents and Related Party Transactions Policy, applicable law and regulation.

Review of Director Compensation. The Board shall be responsible for periodically evaluating and approving director and committee compensation.

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.

Periodic Review

These Corporate Governance Guidelines will be reviewed by the Board 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: September 11, 2019