

GP STRATEGIES CORP
Form DEF 14A
April 30, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

<input type="checkbox"/>	<input type="checkbox"/>	Preliminary Proxy Statement
<input type="checkbox"/>	<input type="checkbox"/>	Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Definitive Proxy Statement
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GP Strategies Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

GP STRATEGIES CORPORATION

70 Corporate Center

11000 Broken Land Parkway, Suite 200

Columbia, Maryland 21044

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held June 25, 2014

To our Stockholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the “Annual Meeting”) of GP Strategies Corporation (the “Company”) will be held at the Company’s offices at 70 Corporate Center, 11000 Broken Land Parkway, Suite 200, Columbia, Maryland, on the 25th day of June 2014, at 10:30 a.m., local time, for the following purposes:

1. To elect seven persons to the Board of Directors of the Company to serve until their respective successors are elected and qualified.
2. To vote upon a proposal to ratify the appointment of KPMG LLP (“KPMG”) as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2014.
3. To hold an advisory vote to approve the compensation of our named executive officers as disclosed in the attached Proxy Statement.

4. Any other matters properly brought before the meeting or any adjournments or postponements thereof.

The foregoing items of business are described more fully in our Proxy Statement.

Only stockholders of record as of the close of business on April 28, 2014 are entitled to receive notice of and to vote at the Annual Meeting. A quorum of the stockholders is constituted by the presence, in person or by proxy, of holders of record of Common Stock representing a majority of the number of votes entitled to be cast as of the record date. A list of such stockholders shall be open to the examination of any stockholder, for any purpose germane to the Annual Meeting, during ordinary business hours, for a period of ten days prior to the meeting, at the offices of the Company at 70 Corporate Center, 11000 Broken Land Parkway, Suite 200, Columbia, Maryland.

Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. As an alternative to voting in person at the Annual Meeting, you may vote via the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing a completed proxy card. For detailed information regarding voting instructions, please refer to the section entitled "Voting via the Internet, by Telephone or by Mail" on page 2 of the Proxy Statement. You may revoke a previously delivered proxy at any time prior to the Annual Meeting. If you decide to attend the Annual Meeting and wish to change your proxy vote, you may do so automatically by voting in person at the Annual Meeting.

By Order of the Board of Directors

Kenneth L. Crawford, *Secretary*

Columbia, Maryland

April 30, 2014

INTERNET AVAILABILITY OF PROXY MATERIALS

In accordance with U.S. Securities and Exchange Commission rules, we are using the Internet as our primary means of furnishing proxy materials to stockholders. Consequently, most stockholders will not receive paper copies of our proxy materials. We will instead send these stockholders a Notice of Internet Availability of Proxy Materials with instructions for accessing the proxy materials, including our proxy statement and annual report, and voting via the Internet. The Notice of Internet Availability of Proxy Materials also provides information on how stockholders may obtain paper copies of our proxy materials if they so choose. We believe this will make the proxy distribution process more efficient, less costly and help in conserving natural resources. If you previously elected to receive our proxy materials electronically, these materials will continue to be sent via email unless you change your election.

GP STRATEGIES CORPORATION

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON JUNE 25, 2014

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GP STRATEGIES CORPORATION

70 Corporate Center

11000 Broken Land Parkway

Columbia, Maryland 21044

PROXY STATEMENT

INFORMATION CONCERNING SOLICITATION AND VOTING

The accompanying Proxy is solicited by and on behalf of the Board of Directors of the Company, for use only at the Annual Meeting to be held at the Company's offices at 70 Corporate Center, 11000 Broken Land Parkway, Suite 200, Columbia, Maryland on the 25th day of June 2014, at 10:30 a.m., local time, and at any adjournments or postponement thereof. The approximate date on which this Proxy Statement and the accompanying Proxy were first given or sent to security holders was April 30, 2014.

Properly delivered Proxies will be voted in accordance with the specifications made and where no specifications are given, such Proxies will be voted FOR the proposal to elect seven persons to the Board of Directors of the Company to serve until their respective successors are elected and qualified, FOR the proposal to ratify the appointment of KPMG as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014, and FOR the compensation of our named executive officers. In the discretion of the proxy holders, the Proxies will also be voted FOR or AGAINST such other matters as may properly come before the Annual Meeting. The management of the Company is not aware of any other matters that are to be presented for action at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, the persons named in your proxies will vote in accordance with their best judgment. Although it is intended that the Proxies will be voted for the nominees named herein, the holders of the Proxies reserve discretion to cast votes for individuals other than such nominees in the event of the unavailability of any such nominee. The Company has no reason to believe that any of the nominees will become unavailable for election. The Proxies may not be voted for a greater number of persons than the number of nominees named.

Quorum; Required Votes

In order to conduct business at the meeting a quorum of the shares of GP Strategies Common Stock (the “Common Stock”) must be present in person or represented by proxy. A quorum is the presence, in person or by proxy, of holders of record of Common Stock representing a majority of the number of votes entitled to be cast at the meeting. In the election of directors (Proposal 1), you may either vote “for” each nominee or expressly withhold your vote with respect to a nominee. The directors are elected by a plurality of the votes cast by holders of shares of Common Stock which means the seven director nominees receiving the highest number of votes will be elected. Accordingly, shares not present and shares present but not voted (because such vote is expressly withheld or is simply not cast, whether as a broker non-vote or otherwise) will have no effect on the voting outcome with respect to the election of directors.

The proposal to ratify the appointment of KPMG as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2014 (Proposal 2) requires the affirmative vote of a majority of the votes cast by holders of shares of Common Stock at the meeting. Abstentions and broker non-votes have no effect on this proposal, except they will be counted as having been present for purposes of determining the presence of a quorum.

The advisory vote on compensation of our named executive officers (Proposal 3) requires the affirmative vote of a majority of the votes cast by holders of shares of Common Stock at the meeting. Abstentions and broker non-votes have no effect on this proposal. Although the advisory vote on the compensation of our named executive officers is non-binding, the Board of Directors will review the results of the vote and will take them into account in making a determination concerning executive compensation of our named executive officers.

If you hold your shares in “street name” (that is through a broker or other nominee), your broker may be able to vote your shares for certain “routine” matters even if you do not provide the broker with voting instructions. If you do not give your broker instructions on how to vote your shares the broker will return the proxy card without voting on proposals not considered “routine.” This is a broker non-vote. Except for the ratification of KPMG LLP, votes in connection with all of the other proposals are considered “non-routine” matters. The broker may not vote on these matters without instructions from you.

Record Date

The Board of Directors has fixed the close of business on April 28, 2014 as the record date for the determination of stockholders entitled to receive notice of and to vote at the Annual Meeting. The issued and outstanding capital stock of the Company on April 28, 2014 consisted of 19,160,859 shares of Common Stock, each entitled to one vote per share. A quorum of the stockholders is constituted by the presence, in person or by proxy, of holders of record of Common Stock, representing a majority of the number of votes entitled to be cast.

Voting via the Internet, by Telephone or by Mail; Revoking Earlier Vote

As an alternative to voting in person at the Annual Meeting, stockholders whose shares are registered in their own names may vote via the Internet, by telephone or, for those stockholders who receive a paper proxy card in the mail, by mailing a completed proxy card. The Notice of Internet Availability of Proxy Materials provides instructions on how to access your proxy card, which contains instructions on how to vote via the Internet or by telephone. For those stockholders who receive a paper proxy card, instructions for voting via the Internet or by telephone are set forth on the proxy card. Those stockholders who receive a paper proxy card and voting instructions by mail, and who elect to vote by mail, should sign and return the mailed proxy card in the prepaid and addressed envelope that was enclosed with the proxy materials, and your shares will be voted at the Annual Meeting in the manner you direct.

If your shares are registered in the name of a bank or brokerage firm (your record holder), you will receive instructions from your record holder that must be followed in order for your record holder to vote your shares per your instructions. Many banks and brokerage firms have a process for their beneficial holders to provide instructions via the Internet or over the telephone. If Internet or telephone voting is unavailable from your bank or brokerage firm, please complete and return the enclosed voting instruction card in the addressed, postage paid envelope provided. If you hold shares through a bank or brokerage firm and wish to be able to vote in person at the Annual Meeting, you must obtain a legal proxy from your brokerage firm, bank or other holder of record and present it to the inspector of elections with your ballot.

You may revoke or change a previously delivered proxy at any time before the Annual Meeting by delivering another proxy with a later date, by voting again via the Internet or by telephone, or by delivering written notice of revocation of your proxy to GP Strategies Corporation's Secretary at its principal executive offices before the beginning of the Annual Meeting. You may also revoke your proxy by attending the Annual Meeting and voting in person, although attendance at the Annual Meeting will not, in and of itself, revoke a valid proxy that was previously delivered. If you hold shares through a bank or brokerage firm, you must contact that bank or brokerage firm to revoke any prior voting instructions. You may also vote in person at the Annual Meeting if you obtain a legal proxy as described in the preceding paragraph.

PRINCIPAL STOCKHOLDERS

The following table sets forth the number of shares of Common Stock beneficially owned as of April 28, 2014 by each person who is known by the Company based on such person's filings with the Securities and Exchange Commission ("SEC") to own beneficially more than 5% of the Company's outstanding Common Stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Sagard Capital Partners, L.P. 325 Greenwich Avenue Greenwich, CT 06830	3,512,774 shares ⁽¹⁾	18.3 %
Wellington Management Company LLP 280 Congress Street Boston, MA 02210	1,273,301 shares ⁽²⁾	6.6 %
Pembroke Management, LTD 1002 Sherbrooke Street West Suite 1700 Montreal, Quebec H3A 354	1,138,700 shares ⁽³⁾	5.9 %
Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	991,979 shares ⁽⁴⁾	5.2 %
Manatuck Hill Partners, LLC 1465 Post Road East Westport, CT 06880	963,970 shares ⁽⁵⁾	5.0 %

(1) Based on a Form 4 filed by Sagard Capital Partners, L.P. with the SEC on April 2, 2014.

(2) Based on a Schedule 13G/A filed by Wellington Management Co. LLP with the SEC on February 14, 2014.

(3) Based on a Schedule 13G filed by Pembroke Management, LTD with the SEC on January 10, 2014.

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Based on a Schedule 13G/A filed by Dimensional Fund Advisors LP ("Dimensional") with the SEC on February 10, (4)2014. Dimensional has informed the Company that the shares are owned by advisory clients of Dimensional and that Dimensional disclaims beneficial ownership of such shares.

(5) Based on a Schedule 13G/A filed by Manatuck Hill Partners, LLC with the SEC on February 14, 2014.

SECURITY OWNERSHIP OF DIRECTORS AND NAMED EXECUTIVE OFFICERS

The following table sets forth, as of April 28, 2014, the beneficial ownership of Common Stock, by each director, each of the named executive officers, and all directors and executive officers as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class ⁽¹⁾	
Harvey P. Eisen	49,728	*	
Daniel M. Friedberg	3,512,774	(2)	18.3 %
Marshall S. Geller	155,245	*	
Scott N. Greenberg	303,899	(3)	1.6 %
Sue W. Kelly	22,433	*	
Richard C. Pfenniger, Jr.	33,377	*	
A. Marvin Strait	25,433	*	
Douglas E. Sharp	172,001	(4)	*
Sharon Esposito-Mayer	100,662	(4)	*
Kenneth L. Crawford	56,912	(4)	*
Donald R. Duquette	92,747	(4)	*
Directors and Executive Officers as a Group (17 persons)	4,636,235	(5)	23.8 %

*

Less than one percent.

Assumes for each beneficial owner and directors and executive officers as a group that all currently exercisable (1) options are exercised in full only by the named beneficial owner or members of the group and no other options are exercised.

The amount reported by Daniel M. Friedberg represents the beneficial ownership of the Company's securities by Sagard Capital Partners, L.P., a Delaware limited partnership ("Sagard Capital"). Mr. Friedberg is the President and Chief Executive Officer of Sagard Capital Partners Management Corporation ("Sagard Management"), the (2) investment manager of Sagard Capital, and is the President and Chief Executive Officer of Sagard Capital Partners GP, Inc., the general partner of Sagard Capital. Mr. Friedberg disclaims beneficial ownership of such securities, by virtue of his position as the President and Chief Executive Officer of Sagard Management.

(3) Includes (i) 96,000 shares issuable upon exercise of currently exercisable stock options; (ii) 14,191 shares of Common Stock allocated to Mr. Greenberg's account pursuant to the provisions of our Retirement Savings Plan and

(iii) 4,000 shares of Common Stock held by members of his family. Mr. Greenberg disclaims beneficial ownership of the 4,000 shares of Common Stock held by members of his family.

Includes 84,000 shares for Mr. Sharp, 36,000 shares for Ms. Esposito-Mayer, 16,000 shares for Mr. Crawford and 36,000 shares for Mr. Duquette, issuable upon exercise of currently exercisable stock options; and 9,357 shares for (4) Mr. Sharp, 9,770 shares for Ms. Esposito-Mayer, 12,350 shares for Mr. Crawford and 7,313 shares for Mr. Duquette allocated pursuant to the provisions of our Retirement Savings Plan.

(5) Includes 298,200 shares of Common Stock issuable upon exercise of currently exercisable stock options and 76,799 shares of Common Stock allocated to accounts pursuant to the provisions of our Retirement Savings Plan.

PROPOSAL 1. ELECTION OF DIRECTORS

Seven directors will be elected at the Annual Meeting to hold office until the next Annual Meeting of Stockholders and until their respective successors are elected and qualify. The Proxies solicited by this proxy statement may not be voted for a greater number of persons than the number of nominees named. Each nominee has consented to being named in this proxy statement and has agreed to serve if elected. It is intended that these Proxies will be voted for the following nominees, but the holders of these Proxies reserve discretion to cast votes for individuals other than the nominees for Director named below in the event of the unavailability of any such nominee.

We seek persons to serve as directors who possess qualifications and expertise that will enhance the composition of the Board, applying considerations set forth in our Corporate Governance Guidelines (a copy of which may be viewed on our website and is available in print, without charge, upon request to our Corporate Secretary). Those considerations include personal integrity, character, background, achievements, experience, leadership ability, intelligence, ability to make independent analytical inquiries, ability to exercise sound business judgment, potential conflicts of interest and independence, ability to devote adequate time and energy to Board activities, diversity of age, gender and ethnicity, and legal and regulatory requirements.

Set forth below are the names of the nominees, the year in which first elected a Director of the Company, the principal occupation of each nominee, and a brief biography of each nominee, including information regarding the specific experience, qualifications, attributes or skills that led the Board of Directors to determine that the applicable director should be re-nominated and elected to serve as a member of our Board of Directors.

Name and Year First Elected as Director	Age	Principal Occupation and Business Experience During the Past Five Years
Scott N. Greenberg (1987)	57	Mr. Greenberg has been Chief Executive Officer since April 2005 and was the President of the Company from 2001 until February 2006. He was Chief Financial Officer from 1989 until December 2005, Executive Vice President from 1998 to 2001, Vice President from 1985 to 1998, and has held various other positions since joining the Company in 1981. From 1999 to 2008, he was a Director of GSE Systems, Inc. (“GSE”), a global provider of real-time simulation and training solutions which is a former majority-owned subsidiary of the Company that was spun off in 2005. Mr. Greenberg has also been a Director of Wright Investors’ Service Holdings Inc. (“WISH”), formerly National Patent Development Corporation (“NPDC”), since 2004, when NPDC, formerly a wholly-owned subsidiary of the Company, was spun off. Mr. Greenberg was also Chief Financial Officer of NPDC from 2004 until August 2007. Mr. Greenberg has served on our Board of Directors since 1987. Mr. Greenberg brings to the Board significant experience and expertise in management, acquisitions and strategic planning, as well as many years of finance and related transaction experience. As our Chief Executive Officer, he brings to the Board extensive knowledge of the Company’s structure, history, major stockholders

Name and Year First Elected as Director	Age	Principal Occupation and Business Experience During the Past Five Years
Harvey P. Eisen (2002)	71	<p>Mr. Eisen has been the Chairman of the Board since April 2005. He has been Chairman and Managing Member of Bedford Oak Advisors, LLC since 1998. Prior thereto, Mr. Eisen served as Senior Vice President of Travelers, Inc. and held various executive positions with Primerica, SunAmerica Corp., and Integrated Resources Asset Management. Mr. Eisen has served on the Strategic Development Board for the Trulaske College of Business, University of Missouri since 1995 where he established the first accredited course on the Warren Buffet Principles of Investing. He also serves on the Zanvyl Krieger School of Arts and Sciences Advisory Board for Johns Hopkins University and is a member of the Carey Business School Board of Overseers and the Hopkins Parents Council. Mr. Eisen has also been a Director of WISH since August 2004 and became Chairman of the Board and Chief Executive Officer of WISH in May 2007. Mr. Eisen has served on our Board of Directors since 2002. Mr. Eisen has over three decades of investment experience. His long, distinguished career in the investment and finance industry, combined with his wealth of experience with companies in many sectors, make him a skilled advisor who provides critical insight into strategic planning and financial matters.</p>
Marshall S. Geller (2002)	75	<p>Mr. Geller is a Founder and Senior Managing Partner of St. Cloud Capital, a Los Angeles based private equity fund formed in December 2001. He has spent more than 40 years in corporate finance and investment banking, including 21 years as a Senior Managing Partner of Bear, Stearns & Co., with oversight of all operations in Los Angeles, San Francisco, Chicago, Hong Kong and the Far East. Mr. Geller is currently on the Board of Directors of COR Capital LLC and UCLA Health System and is on the Board of Governors of Cedars Sinai Medical Center, Los Angeles. Mr. Geller also serves on the Dean's Advisory Council for the College of Business & Economics at California State University, Los Angeles. During the past five years, Mr. Geller has also been a director of Guidance Software, Inc., National Holdings Corporation and California Pizza Kitchen. Mr. Geller has served on our Board of Directors since 2002. As the managing partner of a private equity fund and a director of other public companies, Mr. Geller brings to the Board many years of experience and expertise as an investor in and advisor to companies in various sectors.</p>
Richard C. Pfenniger, Jr. (2005)	58	<p>Mr. Pfenniger served as Interim Chief Executive Officer of Integrated America, Inc., a manager of highly specialized outpatient medical centers, from January to June 2013. From 2003 until 2011, Mr. Pfenniger served as the Chairman of the Board, President and Chief Executive Officer of Continucare Corporation, a provider of primary care physician services. Mr. Pfenniger was the Chief Executive Officer and Vice Chairman of Whitman Education Group, Inc., a provider of career-oriented higher education, from 1997 until 2003. From 1994 to 1997, Mr. Pfenniger served as the Chief Operating Officer of IVAX Corporation, and from 1989 to 1994 he served as the Senior Vice President-Legal Affairs and General Counsel of IVAX Corporation, a multi-national pharmaceutical company. Mr. Pfenniger currently serves as a Director of TransEnterix, Inc. (a medical device company) and Opko Health, Inc. (a multi-national pharmaceutical</p>

and diagnostics company) and also served as a director of Safestitch Medical, Inc. from 2005 to 2013 and IVAX Corporation from 2002 to 2009. Mr. Pfenniger has served on our Board of Directors since 2005. Mr. Pfenniger's prior experience as a Chief Executive Officer of a public company and prior experience in the education industry brings relevant experience managing a growth-oriented business and balancing the demands of clients, employees and investors.

Name and Year First Elected as Director	Age	Principal Occupation and Business Experience During the Past Five Years
Sue W. Kelly (2007)	77	Mrs. Kelly is currently President and Chief Executive Officer of Kelly Consulting LLC, an investment and consulting firm. From 1995 to 2007 she was a member of the U.S. House of Representatives, representing the 19 th Congressional District of New York. While in Congress she served on the Board of Visitors of the U.S. Military Academy at West Point and on the House Financial Services Committee, among other assignments. Prior to becoming a Congresswoman, she worked in a variety of positions in business and education. Ms. Kelly currently serves as a Director of Magna Carta Companies, Inc. and has served on our Board of Directors since December 2007. Ms. Kelly's experience in government provides the board with a unique perspective and insight on doing business with the U.S. government.
A. Marvin Strait (2007)	80	Mr. Strait presently practices as a Certified Public Accountant under the name A. Marvin Strait, CPA. He has practiced in the field of public accountancy in Colorado for over 40 years. He presently serves as a member of the Board of Trustees of the Colorado Springs Fine Arts Center Foundation, the Sam S. Bloom Foundation and Pikes Peak Educational Foundation. He also presently serves as a member of the Board of Directors and Chairman of the Audit Committee of Sturm Financial Group, Inc., and on the Board of Directors of the Denver School of Nursing. Mr. Strait previously served as the Chairman of the Board of Directors of the American Institute of Certified Public Accountants (AICPA), as President of the Colorado Society of Certified Public Accountants and the Colorado State Board of Accountancy, and serves as a permanent member of the AICPA Governing Council. Mr. Strait served as a Director and Chairman of the Audit Committee of Continucare Corporation from 2004 to 2011, and as a Director and Chairman of the Audit Committee of RAE Systems, Inc. from 2006 to 2009. Mr. Strait has served on our Board of Directors since December 2007. Mr. Strait brings to the Board significant expertise in accounting and financial matters and in analyzing and evaluating financial statements. He has served on the audit committees of several companies, and is Chair of our Audit Committee.
Daniel M. Friedberg (2009)	52	Mr. Friedberg has been President and Chief Executive Officer of Sagard Capital Partners Management Corporation, the investment manager of Sagard Capital Partners, L.P., since its founding in 2005. Since 2005, he has also been a Vice President of Power Corporation of Canada, a diversified international management holding company. Prior to that, he was a Partner at Bain & Company. Mr. Friedberg joined Bain & Company in 1987 in the London office, and was a founder of the Toronto office in 1989 and the New York office in 2000. Mr. Friedberg also served as a director of X-Rite, Incorporated from 2008 to 2012. Mr. Friedberg has served on our Board of Directors since December 2009, when he was elected a director pursuant to the terms of the Securities Purchase Agreement under which Sagard Capital Partners, L.P. made an equity investment in the Company. Mr. Friedberg brings to the Board experience in investment management, which provides valuable perspective into our organizational and operational management as well as strategic planning matters.

Required Vote and Board Recommendation

In the election of directors (Proposal 1), you may either vote “for” each nominee or expressly withhold your vote with respect to a nominee. The directors are elected by a plurality of the votes cast by the holders of shares of Common Stock at the Annual Meeting, which means the seven director nominees receiving the highest number of votes will be elected.

The Board of Directors recommends that you vote FOR the election of each of the seven nominees.

Corporate Governance

The Board of Directors has the responsibility for establishing broad corporate policies and for the overall performance of the Company, although it is not involved in day-to-day operating details. Members of the Board of Directors are kept informed of the Company's business by various reports and documents sent to them as well as by operating and financial reports made at Board and Committee meetings. The Board of Directors held nine meetings in 2013. All of the Directors other than Mr. Eisen and Mr. Washington attended at least 75% of the total number of meetings of the Board of Directors and of Committees of the Board on which they served. Mr. Eisen attended 77% of the Board meetings and 67% of the meetings of Committees on which he served. Mr. Washington attended 55% of the total number of meetings of the Board and Committees on which he served; for personal reasons Mr. Washington declined to seek re-election to the Board. We do not have an official policy with regard to Board members' attendance at annual meetings of stockholders. However, we encourage all Directors to attend and typically schedule a meeting of the Board of Directors on the same day as our meeting of stockholders. In 2013, except for Mr. Washington, all persons who were then Directors attended the annual meeting of stockholders.

Corporate Governance Guidelines

Our Board of Directors, on the recommendation of the Nominating/Corporate Governance Committee, adopted a set of corporate governance guidelines, a copy of which is available on our website at www.gpstrategies.com under the "Corporate Governance" page of the "Investors" section (<http://investors.gpstrategies.com/common/pdf/investors/guidelines.pdf>). We will provide a copy of such guidelines to any stockholder who requests one by contacting our Secretary, 70 Corporate Center, 11000 Broken Land Parkway, Suite 200, Columbia, MD 21044. We continue to monitor our corporate governance guidelines to comply with rules adopted by the SEC, the NYSE and industry practice.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics for our directors, officers and employees, including, but not limited to, the Chief Executive Officer and the Chief Financial Officer and other senior managers in our accounting and finance departments. A copy of this Code of Business Conduct and Ethics can be found on our website at www.gpstrategies.com under the "Corporate Governance" page of the "Investors" section (<http://investors.gpstrategies.com/common/pdf/investors/gpxCodeOfEthics.pdf>). We will provide a copy of such code to any stockholder who requests one by contacting our Secretary, 70 Corporate Center, 11000 Broken Land Parkway, Suite 200, Columbia, MD 21044. If we make any substantive amendments to the Code of Ethics for our executive officers or directors or grant any waiver from a provision of the Code of Ethics for our executive officers or directors, we will within four (4) business days disclose the nature of such amendment or waiver in a Report on Form 8-K or on our website at www.gpstrategies.com.

Director Independence

The Board of Directors reviews the independence of its members on an annual basis. No Director will be deemed to be independent unless the Board affirmatively determines that the Director in question has no material relationship with the Company, directly or as an officer, stockholder, member or partner of an organization that has a material relationship with the Company. The Board has not adopted any categorical standards of Director independence, however, the Board of Directors employs the standards of independence of the New York Stock Exchange (“NYSE”) rules currently in effect in making its determination that a Director qualifies as independent. In its annual review of Director independence, the Board considers all commercial, banking, consulting, legal, accounting, charitable or other business relationships any Director may have with the Company. As a result of its annual review, the Board of Directors has determined that Harvey P. Eisen, Daniel M. Friedberg, Marshall S. Geller, Sue W. Kelly, Richard C. Pfenniger, Jr. and A. Marvin Strait are independent and that Scott N. Greenberg is not independent. The Company has Nominating/Corporate Governance, Compensation and Audit Committees and based on these standards, all current members of such Committees are independent. The Company also has an Executive Committee, of which Mr. Greenberg is a member.

Stock Ownership Guidelines

Under stock ownership guidelines approved by the Nominating/Corporate Governance Committee, within five years after his or her election or appointment to the Board, all directors (including the Chief Executive Officer) are expected to accumulate and hold at least 15,000 shares of the Company’s common stock. Stock holdings do not include unvested stock units or unexercised stock options. As of April 28, 2014 and throughout 2013 each director held shares of the Company’s common stock sufficient to satisfy the guideline.

Board Leadership Structure

We have separated the roles of the Chairman of the Board of Directors and Chief Executive Officer (the “CEO”) in recognition of the differences between the two roles. The CEO is responsible for setting the strategic direction for the Company and the day to day leadership and performance of the Company, while the Chairman of the Board of Directors provides guidance to the CEO, consults with the CEO about the agenda for Board of Directors meetings, and presides over meetings of the full Board of Directors. At present, our Board believes that this structure is appropriate and that it facilitates independent oversight of management.

Executive Sessions of Non-Management Directors

The non-management Directors meet periodically in executive session. The executive sessions of non-management Directors are presided over by the Director who is the Chairman of the Committee responsible for the issue being discussed. Executive sessions are also routinely held as a part of meetings of the Audit Committee. The Board intends to schedule at least two executive sessions of non-management Directors each year. However, any Director may request additional executive sessions of non-management Directors to discuss any matter of concern.

Risk Oversight

Our Board of Directors oversees an enterprise-wide approach to risk management, designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational performance and enhance shareholder value. A fundamental part of risk management is not only understanding the risks a company faces and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the Company. Management is responsible for establishing our business strategy, identifying and assessing the related risks and establishing appropriate risk management practices. Our Board receives reports on various areas of risk, reviews our business strategy and management’s assessment of the related risk, and discusses with management the appropriate level of risk for the Company.

Our Board administers its risk oversight function with respect to our operating risk as a whole, and meets with management at least quarterly to receive updates with respect to our operations, business strategies and the monitoring of related risks. The Board also delegates oversight to the Audit, Compensation and Nominating/Corporate Governance Committees.

Our Audit Committee oversees financial risk exposures, including monitoring the integrity of the financial statements, internal controls over financial reporting, and the independence of the independent auditor of the Company. The Audit Committee also monitors our whistleblower hot lines with respect to financial reporting matters and alleged violations of our codes of conduct and business ethics. Individuals who supervise day-to-day risk in this area have direct access to the Board of Directors through the Audit Committee.

Our Nominating/Corporate Governance Committee oversees governance related risks by working with management to establish corporate governance guidelines applicable to the Company, including recommendations regarding director nominees, the determination of director independence, Board leadership structure and membership on Board Committees. The Company's Nominating/Corporate Governance Committee also oversees risk by working with management to adopt corporate governance policies and procedures designed to support the highest standards of business ethics.

Our Compensation Committee oversees risk management by participating in the creation of compensation structures that create incentives that support an appropriate level of risk-taking behavior consistent with the Company's business strategy.

Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee of the Board of Directors acts under a written charter, which may be viewed online on the Company's website at www.gpstrategies.com under the "Corporate Governance" page of the "Investors" section (<http://investors.gpstrategies.com/common/pdf/investors/nomCharter.pdf>). We will provide a copy of such charter to any stockholder who requests one by contacting our Secretary, 70 Corporate Center, 11000 Broken Land Parkway, Suite 200, Columbia, MD 21044. The members of the Nominating/Corporate Governance Committee are Daniel M. Friedberg, Marshall S. Geller and Richard C. Pfenniger, who is the Chairman of the Nominating/Corporate Governance Committee. All members of such committee satisfy the independence requirements of the NYSE rules currently in effect. The Nominating/Corporate Governance Committee met five times in 2013. The principal functions of the Nominating/Corporate Governance Committee are to:

- (i) develop policies on the size and composition of the Board of Directors;
- (ii) identify individuals qualified to become members of the Board of Directors;

- (iii) recommend a slate of nominees to the Board of Directors annually;
- (iv) ensure that the Audit, Compensation and Nominating/Corporate Governance Committees of the Board of Directors have the benefit of qualified and experienced independent Directors;
- (v) review and reassess the adequacy of the Board of Directors' corporate governance principles (which principles may be viewed online on the Company's website at www.gpstrategies.com under the "Corporate Governance" page of the "Investors" section); and
- (vi) advise the full Board of Directors on corporate governance matters.

Our Nominating/Corporate Governance Committee identifies individuals qualified to be Board members, evaluates any stockholder recommendations for Board membership, and develops and recommends corporate governance policies and procedures. The charter for our Nominating/Corporate Governance Committee is available on our website at www.gpstrategies.com under the "Corporate Governance" page of the "Investors" section. We did not implement any changes to our process for stockholder recommendations of director nominees during 2013.

Criteria and Diversity

When the Board of Directors decides to recruit a new member, it seeks strong candidates who possess qualifications and expertise that will enhance the composition of the Board of Directors. The criteria for selecting new Directors can be viewed online on the Company's website at www.gpstrategies.com under the "Corporate Governance" page of the "Investors" section. The Board of Directors will consider any such strong candidate provided he or she possesses integrity and ethical character. If the Board of Directors does not believe that a candidate possesses the above personal characteristics, that candidate will not be considered.

In evaluating potential board members, the Nominating/Corporate Governance Committee will apply the criteria set forth in our Corporate Governance Guidelines including:

- A candidate's background, achievements, and experience;
- Demonstrated leadership ability;
- The intelligence and ability to make independent analytical inquiries;
- The ability to exercise sound business judgment; and
- Due consideration to the Board's overall balance of diversity of perspectives, backgrounds and experiences, as well as age, gender and ethnicity.

Accordingly, in consideration with many other factors, the Nominating/Corporate Governance Committee selects nominees with a broad diversity of abilities, experience, professions, skills and backgrounds. The

Nominating/Corporate Governance Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. We believe that the backgrounds and qualifications of members of our Board of Directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. Nominees are not discriminated against on the basis of race, religion, national origin, sexual orientation, disability or any other basis proscribed by law.

In recommending candidates for election to the Board of Directors, the Nominating/Corporate Governance Committee considers nominees recommended by Directors, officers, employees, stockholders and others, using the same criteria to evaluate all candidates. Upon selection of a qualified candidate, the Nominating/Corporate Governance Committee would recommend the candidate for consideration by the full Board of Directors.

Stockholder Recommendations for Board Nominees

Generally, candidates for election to the Board are suggested by existing Board members, however, the Nominating/Corporate Governance Committee will consider stockholder recommendations for candidates to the Board. To recommend a prospective nominee for the Nominating/Corporate Governance Committee's consideration, stockholders should submit the candidate's name and qualification to our Secretary in writing at 70 Corporate Center, 11000 Broken Land Parkway, Suite 200, Columbia, MD 21044. When submitting candidates for nomination to be elected at our annual meeting of stockholders, stockholders must also follow the notice procedures and provide the information required by our By-laws. Our By-laws provide that any stockholder wishing to nominate a candidate for Director or to propose other business at an annual meeting of stockholders must give written notice that is received by our Secretary not less than 90 days prior to the anniversary date of the proxy statement relating to the immediately preceding annual meeting of stockholders (no later than January 30, 2015 with respect to the 2015 Annual Meeting of Stockholders); provided that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, such notice must be received not less than 90 days prior to the date of the meeting or, if the first public announcement of the meeting date is less than 100 days before such meeting date, not later than the close of business on the tenth day following the day on which public disclosure of the date of the annual meeting was first made. Such notice must provide certain information specified in our By-laws. Copies of our By-laws are available to stockholders without charge upon request to our Secretary at the address set forth above.

Compensation Committee

The Compensation Committee acts under a written charter, which may be viewed online on the Company's website at www.gpstrategies.com under the "Corporate Governance" page of the "Investors" section (<http://investors.gpstrategies.com/common/pdf/investors/compCharter.pdf>). We will provide a copy of such charter to any stockholder who requests one by contacting our Secretary, 70 Corporate Center, 11000 Broken Land Parkway, Suite 200, Columbia, MD 21044. The members of the Compensation Committee are Daniel M. Friedberg, Marshall S. Geller and A. Marvin Strait. Marshall S. Geller is the Chairman of the Compensation Committee. All members of such committee satisfy the independence requirements of the NYSE rules currently in effect. The principal function of the Compensation Committee is to assist the Board of Directors in discharging its responsibilities in respect of the Company's executive officers by:

- (i) evaluating the Chief Executive Officer's performance and setting the Chief Executive Officer's compensation based on such evaluation; and
- (ii) developing guidelines and reviewing the compensation and performance of officers of the Company. The Compensation Committee administers the Company's Stock Incentive Plan.

The Compensation Committee met three times in 2013.

Executive Committee

The Executive Committee meets on call and has authority to act on most matters during the intervals between Board meetings and acts as an advisory body to the Board of Directors by reviewing various matters prior to submission to the Board. The members of the Executive Committee are Scott N. Greenberg, Harvey P. Eisen, Daniel M. Friedberg, Marshall S. Geller and Douglas E. Sharp, who is a non-voting member.

Audit Committee

The members of the Audit Committee are A. Marvin Strait, Chairman, Daniel M. Friedberg, Sue W. Kelly and Richard C. Pfenniger, Jr. All members satisfy the independence and experience requirements of the SEC and the NYSE rules currently in effect. The Board of Directors has determined that A. Marvin Strait and Richard C. Pfenniger, Jr. are Audit Committee financial experts. The Audit Committee acts under a written charter which was last amended by the Audit Committee on May 4, 2006 and approved by the Board of Directors at its July 26, 2006 meeting. The Audit Committee charter may be viewed online on the Company's website at www.gpstrategies.com under the "Corporate Governance" page of the "Investors" section

<http://investors.gpstrategies.com/common/pdf/investors/auditCharter.pdf>. We will provide a copy of such charter to any stockholder who requests one by contacting our Secretary, 70 Corporate Center, 11000 Broken Land Parkway, Suite 200, Columbia, MD 21044. The Audit Committee met five times in 2013.

The charter sets forth the responsibilities of the Audit Committee, which include:

- (i) reviewing the independence, qualifications, services, fees and performance of the independent auditors;
- (ii) appointing, replacing and discharging the independent auditors;
- (iii) approving the professional services provided by the independent auditors;
- (iv) reviewing the scope of the annual audit and quarterly reports and recommendations submitted by the independent auditors; and
- (v) reviewing the Company's financial reporting, the system of internal financial controls, and accounting policies, including any significant changes, with management and the independent auditors.

Communications with the Board of Directors

The Board of Directors has provided a process by which stockholders and other interested parties may send communications to the Board, the non-management/independent directors as a group, or to individual members of the Board. Such communications should be directed to the Secretary of the Company, 70 Corporate Center, 11000 Broken Land Parkway, Suite 200, Columbia, MD 21044, or by email at kcrawford@gpstrategies.com, who will forward them to the intended recipients. Relevant communications are distributed to the Board, or to any individual director or directors as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, the Board has requested that certain items that are unrelated to the duties and responsibilities of the Board should be excluded, such as: business solicitations or advertisements; junk mail and mass mailings; new product or service suggestions; product or service complaints; product or service inquiries; resumes and other forms of job inquiries; spam; and surveys. In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded. Any communication that is filtered out must be made available to any outside director upon request.

Identification of Executive Officers

Set forth below is certain informatio