Telos Corporate
Corporate Governance Guidelines

The Board of Directors (the “Board”) of Telos Corporation (the “Company”) has adopted these Corporate Governance Guidelines (the “Guidelines”) to ensure a common set of expectations as to how the Board, its various committees, individual directors, and management should perform their functions, and how the Board should exercise it to serve the best interests of the Company in a manner that is consistent with the Board’s duties. The Guidelines serve as a flexible framework within which the Board may conduct its business, not as a set of binding legal obligations. If a conflict arises between the provisions of the Guidelines and the charter or bylaws of the Company, the charter or bylaws, as applicable, will govern.

A. Director Responsibilities

1. Decision-making Authority

The Board acts as the ultimate decision-making body of the Company and advises and oversees management, who are responsible for the day-to-day operations and management of the Company. The Board exercises oversight over the processes designed to maintain the integrity of the Company, its financial statements, its compliance with laws and ethics, and its relationship with stockholders, customers and suppliers. In fulfilling this role, each director must act in what they reasonably believe to be in the best interests of the Company and with the care of an ordinarily prudent person under similar circumstances. Each director will take a proactive, focused approach to the position and set standards to ensure that the Company is committed to business excellence, ethical and honest conduct, and the highest level of integrity.

The Board expects directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising the Company’s Code of Ethics and Standards of Conduct.

2. Selection of Chairman

The Board shall select one of its members to serve as Chairman of the Board. The Chairman is responsible for the effective performance of the Board and shall generally provide leadership to the Board. The Chairman shall preside over Board meetings when present.

3. Board Committees

The Board has established the following committees to assist the Board in discharging its responsibilities: (i) Audit Committee; (ii) Management Development and Compensation Committee (“Compensation Committee”); and (iii) Nominating and Corporate Governance Committee (“Nominating Committee”). The Board may, from time to time, establish or disband ad hoc or standing committees as it deems necessary or appropriate. Each standing committee shall maintain a written charter, a copy of which shall be available on the Company's website. The charters set forth the purposes and responsibilities of the committees. The chair of each committee, in consultation with the committee members, determines the frequency and length of the committee meetings. The committee membership and chairmanship are appointed by the Board upon the recommendation of the Nominating Committee. While the Board believes that consideration should be given to rotating committee membership and chairmanship periodically, it does not believe that rotation should be mandatory. The Board shall balance the benefits of rotation against the benefits of continuity, experience and expertise. The committee chairs will report to the Board at Board meetings.

4. Board Meetings

The Board shall meet, in person or via teleconference or other remote communications in accordance with the bylaws, at such times and places as the Board determines, but in any event no less than once per quarter. Special meetings may be called from time to time at the request of the Chairman or the President of the Company or by a majority of the directors in office. Directors are expected to attend each meeting, barring special circumstances. The Company's proxy statement will identify any director who attends less than 75% of the Board and applicable committee meetings. Directors are expected to invest the time and effort necessary to understand the Company's business and financial strategies and challenges. The basic duties of the directors include being prepared for and attending Board meetings and actively participating in Board discussions. Directors are also expected to make themselves available outside of Board meetings for advice and consultation.

Management will participate in Board meetings and committee meetings when invited by the Chairman or the applicable committee chairman. Also, outside advisors or consultants may participate in these meetings, from time to time, to make presentations and provide insight into relevant issues when invited by the Chairman or the applicable committee chairman. Except as otherwise required by these Guidelines, the charters of each committee of the Board, or any law or regulation applicable to the Company, attendance of any non-directors at Board or committee meetings is at the discretion of the Board.

The Chairman is responsible for approving and distributing the Board meeting agenda prior to each meeting. Each director may offer suggestions for agenda items or materials prior to the meeting. To the extent feasible, the meeting agenda and any written materials will be distributed sufficiently in advance of each meeting to allow for review of the material. Directors are expected to have reviewed and be prepared to discuss all materials distributed in advance of any meeting. Each committee chair shall determine the nature and extent of information that shall be regularly provided to the directors at a committee meeting.

5. Leadership Development

In addition to its general oversight of management, the Board, together with the Compensation Committee, will conduct an annual review of the performance of the CEO and the officers who report to the CEO. The Compensation Committee will establish the evaluation process and determine the specific criteria on which the performance is evaluated.

In addition, the Compensation Committee will work with the CEO to plan for CEO succession, as well as to develop plans for interim succession for the CEO in the event of an unexpected occurrence. The Compensation Committee will also work with the CEO and appropriate members of management to plan for succession of each of the executives as well as to develop plans for interim succession of each of the executives in the event of an unexpected occurrence. The Board will review and approve of any succession plan proposals.

In addition to succession planning, the CEO should periodically report on management development.

6. Access to Senior Management

The Board has complete access to management in order to ensure that directors can ask any questions and receive all information necessary to perform their duties. Directors should exercise judgment to ensure that their contact with management does not distract management from their jobs or disturb the business operations of the Company.

7. Access to Independent Advisors

The Board and its committees shall have the right at any time to retain independent outside financial, legal or other advisors for matters it deems reasonable, necessary and appropriate.

B. Board Composition

1. Director Qualifications

Directors should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the Company. They should also have an inquisitive and objective perspective, practical wisdom and mature judgment. The Board endeavors to represent complementary and diverse skill sets, backgrounds and experiences, including experience at policy-making levels in business, government, and technology. Directors must be willing to devote sufficient time to carrying out their duties and responsibilities to the Company effectively, and they are expected to ensure that other existing and planned future commitments, including other board service, do not materially interfere with their service to the Company. Directors should be committed to serve on the Board for an extended period of time.

The Nominating Committee is responsible for reviewing candidates for Board membership and recommending candidates to the entire Board. The Nominating Committee will determine periodically, as appropriate, the desired qualifications, expertise and characteristics of a director, including such factors as character, professional ethics and integrity, judgment, business acumen, proven achievement and competence in one's field, the ability to exercise sound business judgment, tenure on the Board and skills that are complementary to the Board, an understanding of the Company's business, an understanding of the responsibilities that are required of a member of the Board, other time commitments, diversity with respect to professional background, education, race, ethnicity, gender, and age, as well as other individual qualities and attributes that contribute to the total mix of viewpoints and experience represented on the Board. In making its recommendations, the Nominating Committee shall follow the procedure set forth in the Company's proxy statement.

The Nominating Committee conducts an initial screening of the potential candidate's background, including whether the individual meets the minimum qualifications for Board members; whether the individual would be considered independent under the standards adopted by the Company and NASDAQ rules; and whether the individual would meet any additional requirements imposed by law or regulation on members of the Audit and/or Compensation Committees of the Board. Among the requirements potential candidates should meet are the following: U.S. citizenship; ten (10) years of relevant business experience, preferably having served on the board of directors of a corporation; and familiarity with information technology and security. The Nominating Committee will also consider the number of other public company boards on which a nominee serves. Services in other boards and/or committees should be consistent with the Company's conflict of interest policies. The evaluation process of a potential candidate's background will not be treated differently whether or not the individual was nominated by a stockholder.

In determining whether to recommend a director for re-election, the Nominating Committee also will consider the director's past attendance at meetings, participation in and contributions to the activities of the Board and the Company, and other qualifications and characteristics set forth in the charter of the Nominating Committee. Each director must ensure that other existing and anticipated future commitments do not materially interfere with the director's service on the Board.

Directors should promptly advise the Nominating Committee of any invitations to join the board of directors of any other company prior to accepting the directorship, or any significant change in their personal circumstances. Directors are expected to accept other public company directorships only if they are able to do so without materially diminishing their ability to serve the Company. The Board, through the Nominating Committee, will have the opportunity to review the appropriateness of the continued service of a director who changes the role, position or areas of responsibility that they held when they were elected to the Board.

The Board does not believe that there should be term or age limits for Board members. While such limits could help ensure fresh ideas and viewpoints, they will also lead to the loss of directors who have developed insights into the Company and its operations over time. Therefore, the Nominating Committee will balance the importance of fresh thinking and new perspectives against the understanding that age and experience often bring wisdom, discernment and knowledge.

2. Director Orientation

Management will implement an orientation process for directors that includes (i) background material on Company policies and procedures, (ii) meetings with senior management to familiarize the directors with the Company's business and operations, its financial condition, its principal officers, its internal and independent auditors, and the duties and responsibilities of directors, and (iii) a visit to Company headquarters.

3. Board Compensation

The compensation of the directors will be approved by the Board upon the recommendation of the Compensation Committee. The fees for different committee service and chairs may vary. Management directors serving on the Board will not receive any additional compensation for their services as directors. The Compensation Committee shall be guided by three goals: compensation should fairly pay directors for work required in a company of the Company's size and scope; compensation should align directors' interests with the interests of stockholders; and, the structure of the compensation should be simple, transparent and easy for stockholders to understand. The review of director compensation may be conducted with the assistance of outside compensation consultants and/or the Company's senior management, as appropriate. Senior management or a compensation consultant will report once a year to the Compensation Committee regarding the status of the Company's director compensation in relation to comparable companies. Following a review of the report, the Compensation Committee will recommend any changes in director compensation to the Board, which will then approve the director compensation.

4. Board Independence

In keeping with sound corporate governance practice, a majority of the Board shall consist of independent directors. The Board shall make an annual affirmative determination as to the independence of each director. An "independent director" is a person who meets the definition of independent director in accordance with the standards of NASDAQ and does not have any other relationship with the Company that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out director responsibilities. The Board may consider all relevant facts and circumstances, including information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to the Company and the Company's management. At least twice a year, the independent directors shall meet in an executive session in conjunction with a quarterly Board meeting to ensure open and free discussions. Additional meetings may be scheduled as deemed necessary by the independent directors.

If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Chairman. If it is determined that a significant conflict exists and cannot be timely and reasonably resolved, the director should resign. All independent directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests.

5. Board Self-Evaluation

The Nominating Committee shall oversee an annual self-evaluation by the Board, each committee of the Board and each Director. The Nominating Committee will be responsible for establishing the evaluation criteria and implementing the process for this evaluation, as well as reviewing these Guidelines and considering other corporate governance principles that may, from time to time, merit consideration by the Board. The results of these evaluations should be provided to the Board for further discussion as appropriate.

The Nominating Committee will utilize the results of the evaluation in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board and for current directors seeking re-election in an effort to further the interests of the Company and its stockholders in a manner consistent with the Company's mission and core values.

C. Stockholder-Director Communication

The Board believes that stockholders should have an opportunity to send communications to the Board in general or a particular director. The communication should be in writing and delivered to the Corporate Secretary. Each communication should set forth (i) name and address of the stockholder, or the name and address of the beneficial owner if held by a nominee, and (ii) the class and number of shares that are owned of record by the record holder and beneficially by the beneficial owner. The Corporate Secretary will, in consultation with appropriate directors as necessary, generally screen communications from stockholders to identify the appropriateness or relevance of the communications.

In addition, each director is strongly encouraged to attend each of the Company's annual meetings of stockholders.