

AEROJET ROCKETDYNE HOLDINGS, INC.

CORPORATE GOVERNANCE GUIDELINES

1. Director Qualification Standards

A majority of the members of the Company's Board of Directors (Board) must satisfy the Director independence requirements of the New York Stock Exchange (NYSE) and the Securities & Exchange Commission (SEC) relating to Directors. A Director is independent if the Board, after broadly considering all relevant facts and circumstances, has made an affirmative determination that such Director has no material relationship with the Company (directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Moreover, if the Board is aware of such a material relationship, the Board must then also determine that any such relationship will not interfere with the exercise of independent judgment.

In addition, the Board seeks members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. Directors should have experience in positions with a high degree of responsibility, be or have been leaders in the companies or institutions with which they are affiliated, and be selected based upon the contributions they may make. Directors should plan and anticipate a significant time commitment to the Company.

2. Size of the Board

The Board is currently comprised of eight (8) Directors. The actual number of Directors is determined by resolution of the Board, in accordance with the By-laws of the Company and may be changed at any time by resolution of the Board.

3. Executive Chairman of the Board

The Board has appointed an Executive Chairman (Executive Chairman) whose principal duties include, among other things:

- (i) Leading the Board in all aspects of its role, including regularity and frequency of meetings, and agenda setting;
- (ii) Establishing the style and tone of board discussions to promote effective decision-making;
- (iii) Presiding over meetings of the Board (other than executive sessions of the independent directors), and annual and special meetings of shareholders;
- (iv) Enabling access to information to help the Board monitor Company performance;
- (v) Ensuring that the board functions at a high level on a continuing basis;
- (vi) Supporting the recruitment and training, as necessary, of new members of the board;
- (vii) Ensuring effective implementation of board decisions;
- (viii) Facilitating communication between and among independent directors and management;

AEROJET ROCKETDYNE HOLDINGS, INC.
CORPORATE GOVERNANCE GUIDELINES

- (ix) Leading senior management in developing the Company's strategy and recommending it to the board for approval;
- (x) Supporting the Chief Executive Officer (CEO) in implementing and executing Company strategy; and
- (xi) Fostering open communication with major shareholders through shareholder outreach and engagement initiatives.

In accordance with the Company's By-laws, the Executive Chairman has authority to call special meetings of Board of Directors.

4. Board Membership Criteria

The Corporate Governance & Nominating Committee will recommend to the Board criteria for the selection of Directors and periodically review the criteria adopted by the Board. Candidates are selected for their character, judgment, diversity of experience and background, acumen and their ability to act on behalf of shareholders. Scientific expertise, prior government service and familiarity with national and international issues affecting business are among the relevant criteria. The Board will consider new Director candidates based on the recommendations of the Corporate Governance & Nominating Committee. Final approval of a candidate is determined by the full Board.

5. Majority Voting Policy for the Election of Directors

In an uncontested election, any nominee for Director who receives a greater number of votes "withheld" for his or her election than votes "for" such election (a "Majority Withheld Vote") shall promptly tender his or her resignation after such election for consideration by the Corporate Governance & Nominating Committee. Within 90 days thereafter, the Board of Directors, taking into account the recommendation of the Corporate Governance & Nominating Committee, must determine whether to accept or reject the resignation. The Director that tendered the resignation shall not participate in the consideration or determination of whether to accept such resignation. The Board of Directors shall disclose by press release its decision to accept or reject the resignation and, if applicable, the reasons for rejecting the resignation. If a majority of the Corporate Governance & Nominating Committee members receive a Majority Withheld Vote at the same election, then the independent Directors who did not receive a Majority Withheld Vote will appoint a committee of independent Directors to consider the resignation offers and recommend to the Board whether to accept or reject them.

6. Appointment of New Directors

When a vacancy occurs on the Board of Directors, it may be filled by a vote of a majority of the remaining Directors. The Board will review new Director candidates based on the recommendations of the Corporate Governance & Nominating Committee.

7. Limitations on the Number of Boards on which a Director may serve

No Director will serve on more than five public company boards without prior approval of the Board. Directors will advise the Executive Chairman and the Chairperson of

AEROJET ROCKETDYNE HOLDINGS, INC.
CORPORATE GOVERNANCE GUIDELINES

the Corporate Governance & Nominating Committee in advance of and prior to accepting an invitation to serve on any new or additional board. This will permit an early review for conflicts or other concerns to the Company and its shareholders.

A Director serving on the Audit Committee must obtain the approval of the Board before serving on more than two other audit committees of public companies.

8. Director Responsibilities

The business and affairs of the Company will be managed under the direction of the Board. A Director shall perform his or her duties and responsibilities, including duties as a member of any Committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in or not opposed to the best interest of the corporation, and with the care that an ordinarily prudent person in a like position would use under similar circumstances. Each Director will act in the best interests of the Company and the Company's shareholders.

Each Director, in the performance of his or her duties, is entitled to rely in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by (i) any of the Company's officers or employees who the Director reasonably believes are reliable and competent in the matters prepared or presented, (ii) Committees of the Board upon which the Director does not serve, duly established in accordance with a provision of the Company's Certificate of Incorporation or By-laws, as to matters within its designated authority, which Committee the Director reasonable believes to merit confidence, or (iii) by another person as to matters such Director reasonably believes are within such other person's professional or expert competence.

9. Number of Meetings; Attendance of Directors at Board Meetings

The Board will hold a minimum of four meetings per year. Directors are expected to regularly attend meetings of the Board and the Committees of which they are members, and to spend the time needed to properly discharge their duties and responsibilities.

10. Selection of Agenda Items for Board Meeting

The Executive Chairman, with the input of the CEO, will establish the agenda for each Board meeting. Individual Board members may suggest agenda items. The Board will review the Company's long-term strategic plan and the principal issues that the Company will face in the future during at least one Board meeting each year.

11. Board Materials Distributed in Advance

Under the direction of the Executive Chairman, the Company's senior management will distribute materials pertaining to Board and Committee meetings in advance of those meetings. A Director is expected to review all distributed materials prior to any Board or Committee meeting.

AEROJET ROCKETDYNE HOLDINGS, INC.
CORPORATE GOVERNANCE GUIDELINES

12. Executive Sessions of Non-Management and Independent Directors

The non-management Directors will meet at regularly scheduled executive sessions without management being present not less frequently than three times per year. At least once a year, the non-management Directors will meet with the CEO without the other executive officers being present. The presiding Director position at each such executive session will be rotated in alphabetical order among the non-management Directors to determine who will serve as chairperson of the executive session. The independent Directors will meet at least once a year in an executive session without management.

13. Committees of the Board

The Board currently has three standing Committees: the Audit Committee, the Corporate Governance & Nominating Committee and the Organization & Compensation Committee. Each Committee has a written Charter, approved by the Board. The Charter for each Committee is available on the Company's web site at www.aerocketrocketdyne.com. The Board may, by resolution, at any time deemed desirable, establish and/or discontinue any standing or special committee, subject to the requirements of the Company's By-laws, applicable law and compliance with certain stock exchange requirements.

The Audit Committee's duties and responsibilities will include all of the responsibilities of an Audit Committee under the NYSE and SEC rules and such other matters as may from time to time be delegated to the Audit Committee by the Board. Each member of the Audit Committee will satisfy the independence requirements of the NYSE and the SEC relating to directors and audit committee members.

The Corporate Governance & Nominating Committee's duties include all of the responsibilities of a nominating committee under the NYSE rules and such other matters as may from time to time be delegated to such Committee by the Board. Each member of the Corporate Governance & Nominating Committee will satisfy the independence requirements of the NYSE and the SEC relating to directors and nominating committee members.

The Organization & Compensation Committee's duties and responsibilities shall include all of the responsibilities of a compensation committee under the NYSE rules and such other matters as may from time to time be delegated to such Committee by the Board. Each member of the Organization & Compensation Committee will satisfy the independence requirements of the NYSE and SEC relating to directors and compensation committee members. In addition, each member shall qualify as a non-employee director under Rule 16b-3 under the Securities Exchange Act of 1934 and be an outside director for the purposes of 162m of the Internal Revenue Code.

14. Assignment of Committee Members

The chairperson and membership of each Committee will be determined by the Board, based on recommendations of the Corporate Governance & Nominating Committee. The Corporate Governance & Nominating Committee generally will consider rotating a Committee chairperson or some members after five years of service or as deemed appropriate.

AEROJET ROCKETDYNE HOLDINGS, INC.
CORPORATE GOVERNANCE GUIDELINES

15. Frequency of Committee Meetings

Each Committee may establish its own rules or procedures, which will be consistent with the requirements of Delaware law, the Company's Certificate of Incorporation and By-laws, all NYSE listing requirements and other regulations and all Board resolutions granting the Committee its authority. Each Committee will meet as provided by such rules and will also meet at the call of its chairperson or any two members of such Committee.

16. Committee Agenda

The chairperson of each Committee will determine the Committee's agenda prior to a meeting, giving consideration to recommendations of management and other Committee or Board members.

17. Board Access to Management and Employees

Directors will have complete access to management and employees of the Company; however, Directors are encouraged to generally inform the CEO of such contacts. The Board encourages the attendance of officers in addition to executive officers at Board meetings when matters within their areas of responsibility are discussed.

18. Board Access to Independent Advisors

Directors will have complete access, as necessary and appropriate, to the Company's outside advisors as they deem necessary and appropriate. If appropriate and solely at the direction of the Board or any Committee, Directors may retain independent legal, financial or other advisors.

19. Director Compensation

All Directors of the Company who are not simultaneously employed as officers by the Company will be properly compensated and reimbursed for their services as a Director. Any employee of the Company who is elected a Director of the Company will not receive any Director compensation and will not participate in Director benefits for his or her services as a Director of the Company.

The Board will be responsible for setting Director compensation. The Organization & Compensation Committee will periodically review the compensation of the Company's Directors and make recommendations to the Board with respect thereto. Directors' fees and emoluments should not exceed what is customary for a company of the size and stature of the Company. In making such compensation determinations and in making determinations with respect to a Director's independence, the Board and the Organization & Compensation Committee will consider and critically evaluate the questions that may be raised if fees and emoluments exceed what is customary or if the Company makes substantial charitable contributions to organizations with which a Director is affiliated, or enters into consulting contracts with (or provides other indirect forms of compensation to) a Director.

AEROJET ROCKETDYNE HOLDINGS, INC.
CORPORATE GOVERNANCE GUIDELINES

20. Director Orientation and Continuing Education

All new Directors will participate in an orientation program shortly after they are elected to the Board. The orientation will include presentations by senior management and shall be organized by the Company's chief financial officer and/or general counsel. The orientation shall be arranged and carried out in a manner that will familiarize the Directors with the Company's business and operations, its financial condition, management and personnel, Board leadership structure, the Company's Code of Business Conduct, Company policies and procedures, its principal offices, internal and independent auditors, risk management, investor relations, and the duties and responsibilities of its Directors, including the responsibilities of the Committees on which the Directors will initially serve.

In addition, newly elected and current Directors are strongly encouraged, and in some cases may be required, to attend continuing education programs to better understand their responsibilities and duties. The Corporate Governance & Nominating Committee shall be responsible for establishing and overseeing compliance with such continuing education requirements.

21. Code of Conduct and Conflicts of Interest

The Board expects Company directors, officers and employees to act ethically at all times. To that end, directors, officers and employees are subject to the Code of Conduct posted on the Company website, including with respect to the resolution of conflicts of interest.

22. Formal Evaluation of the Chief Executive Officer

The Organization & Compensation Committee will, at least annually, review and approve corporate goals and objectives relevant to the compensation of the Company's CEO. The Organization & Compensation Committee will evaluate the performance of the CEO in light of those goals and objectives and will report the results of such evaluation to the Board. The Organization & Compensation Committee will have the authority, either as a committee or together with the other independent Directors, to determine and approve the CEO's compensation level based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Organization & Compensation Committee will consider, among such other factors as it believes relevant, the Company's performance and relative shareholder return. Finally, the Organization & Compensation Committee shall consider the value of similar incentive awards to chief executive officers at comparable companies, and the compensation awarded to the CEO in past years.

23. Succession Planning

Periodically, as determined by the Board, the CEO will report to the Board on succession planning. The report will include policies and principles for chief executive officer and other senior management selection and performance review, as well as policies regarding succession in the case of an emergency or the retirement of the CEO.

AEROJET ROCKETDYNE HOLDINGS, INC.
CORPORATE GOVERNANCE GUIDELINES

24. Assessing the Board's Performance

The Board will conduct an annual self-evaluation in order to determine whether the Board and its Committees are functioning effectively. The Corporate Governance & Nominating Committee will oversee the Board's annual self-evaluation.

25. Board Interaction with Shareholders, the Press, Customers, etc.

It is the Company's policy that the CEO, Executive Chairman and, as appropriate, designated members of senior management speak for the Company. Any shareholder or other interested party who wishes to communicate with the Board as a whole, the non-management directors as a group, or any Board Committee may send a letter by regular or express mail addressed to the Corporate Secretary who will periodically submit a summary of all received correspondence to the Board, the non-management directors, the appropriate Board Committee, or for review by a subject matter expert. Individual Directors may, on occasion and with the prior approval and authorization of the CEO and the Executive Chairman, meet or otherwise communicate with interested parties. Absent unusual circumstances, any such communication will only be made at the request of the Executive Chairman.

26. Board Policy with respect to Change in Director Business Status

Upon a significant change in a Director's business status or individual circumstances or responsibilities, the Director must notify the Chairperson of the Corporate Governance & Nominating Committee and tender his or her resignation from the Board in order to provide the Corporate Governance & Nominating Committee an opportunity to assess any adverse impact of such change upon the effectiveness and availability of the Director and to present a recommendation to the full Board regarding the appropriateness of his or her continued Board membership.

27. Equity Ownership Guidelines for Directors

All Directors are expected to own stock in the Company. Moreover, in order to further align the interests of the Company's non-employee Directors with the interests of the Company's shareholders, the Board has adopted equity ownership guidelines for non-employee Directors. All non-employee Directors are expected to hold an investment in Company equity (common stock, stock options, stock appreciation rights, and phantom stock) equal in value to five (5) times their annual cash retainer. Board Members have five years to attain the required level of equity ownership.