

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the quarterly period ended March 31, 2015

or

Transition Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the transition period from _____ **to** _____

Commission File Number 1-7234

GP STRATEGIES CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware
(State of Incorporation)

52-0845774
(I.R.S. Employer Identification No.)

70 Corporate Center
11000 Broken Land Parkway, Suite 200, Columbia, MD
(Address of principal executive offices)

21044
(Zip Code)

(443) 367-9600

Registrant's telephone number, including area code:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12(b)-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock as of April 27, 2015 was as follows:

Class	Outstanding
Common Stock, par value \$.01 per share	17,183,838 shares

GP STRATEGIES CORPORATION AND SUBSIDIARIES

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Part I. Financial Information**Item 1. Financial Statements****GP STRATEGIES CORPORATION AND SUBSIDIARIES**

Condensed Consolidated Balance Sheets

(In thousands, except per share amounts)

	March 31, 2015	December 31,
	(Unaudited)	2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,135	\$ 14,541
Accounts and other receivables, less allowance for doubtful accounts of \$1,713 in 2015 and \$1,947 in 2014	86,564	99,638
Costs and estimated earnings in excess of billings on uncompleted contracts	36,091	30,211
Prepaid expenses and other current assets	19,782	15,967
Total current assets	<u>154,572</u>	<u>160,357</u>
Property, plant and equipment	21,140	20,837
Accumulated depreciation	<u>(13,693)</u>	<u>(12,973)</u>
Property, plant and equipment, net	7,447	7,864
Goodwill	122,670	125,757
Intangible assets, net	9,012	10,535
Other assets	954	939
	<u>\$ 294,655</u>	<u>\$ 305,452</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term borrowings	\$ 21,534	\$ 20,799
Current portion of long-term debt	13,333	13,333
Accounts payable and accrued expenses	56,425	59,018
Billings in excess of costs and estimated earnings on uncompleted contracts	19,847	23,670
Total current liabilities	<u>111,139</u>	<u>116,820</u>
Long-term debt	21,111	24,444
Other noncurrent liabilities	<u>10,161</u>	<u>12,463</u>
Total liabilities	<u>142,411</u>	<u>153,727</u>
Stockholders' equity:		
Common stock, par value \$0.01 per share	171	171
Additional paid-in capital	105,308	104,523
Retained earnings	58,916	54,809
Treasury stock at cost	(169)	(381)
Accumulated other comprehensive loss	<u>(11,982)</u>	<u>(7,397)</u>
Total stockholders' equity	<u>152,244</u>	<u>151,725</u>
	<u>\$ 294,655</u>	<u>\$ 305,452</u>

See accompanying notes to condensed consolidated financial statements.

GP STRATEGIES CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands, except per share data)

	Three Months Ended March 31,	
	2015	2014
Revenue	\$ 115,253	\$ 117,880
Cost of revenue	96,118	99,525
Gross profit	19,135	18,355
Selling, general and administrative expenses	11,599	11,589
Gain (loss) on change in fair value of contingent consideration, net	(203)	377
Operating income	7,333	7,143
Interest expense	365	205
Other income (expense)	(225)	189
Income before income tax expense	6,743	7,127
Income tax expense	2,636	2,810
Net income	<u>\$ 4,107</u>	<u>\$ 4,317</u>
Basic weighted average shares outstanding	17,159	19,141
Diluted weighted average shares outstanding	17,313	19,422
Per common share data:		
Basic earnings per share	\$ 0.24	\$ 0.23
Diluted earnings per share	\$ 0.24	\$ 0.22

See accompanying notes to condensed consolidated financial statements.

GP STRATEGIES CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2015	2014
Net income	\$ 4,107	\$ 4,317
Foreign currency translation adjustments	(4,585)	(360)
Comprehensive income (loss)	<u>\$ (478)</u>	<u>\$ 3,957</u>

See accompanying notes to condensed consolidated financial statements.

GP STRATEGIES CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
Three Months Ended March 31, 2015 and 2014
(Unaudited, in thousands)

	2015	2014
Cash flows from operating activities:		
Net income	\$ 4,107	\$ 4,317
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss (gain) on change in fair value of contingent consideration, net	203	(377)
Depreciation and amortization	2,068	2,408
Non-cash compensation expense	1,338	1,112
Changes in other operating items:		
Accounts and other receivables	11,430	(542)
Costs and estimated earnings in excess of billings on uncompleted contracts	(6,733)	(10,338)
Prepaid expenses and other current assets	(3,866)	(1,383)
Accounts payable and accrued expenses	(1,674)	1,938
Billings in excess of costs and estimated earnings on uncompleted contracts	(3,286)	4,316
Contingent consideration payments in excess of fair value on acquisition date	—	(667)
Other	(390)	(63)
Net cash provided by operating activities	<u>3,197</u>	<u>721</u>
Cash flows from investing activities:		
Additions to property, plant and equipment	(600)	(916)
Net cash used in investing activities	<u>(600)</u>	<u>(916)</u>
Cash flows from financing activities:		
Proceeds from short-term borrowings	735	2,370
Repayment of long-term debt	(3,333)	—
Contingent consideration payments	—	(338)
Change in negative cash book balance	(1,518)	(1,898)
Repurchases of common stock in the open market	(364)	(320)
Other financing activities	25	45
Net cash used in financing activities	<u>(4,455)</u>	<u>(141)</u>
Effect of exchange rate changes on cash and cash equivalents	(548)	(84)
Net decrease in cash and cash equivalents	<u>(2,406)</u>	<u>(420)</u>
Cash and cash equivalents at beginning of period	14,541	5,647
Cash and cash equivalents at end of period	<u>\$ 12,135</u>	<u>\$ 5,227</u>
Supplemental disclosures of cash flow information:		
Cash paid during the period for income taxes	\$ 2,251	\$ 2,999

See accompanying notes to condensed consolidated financial statements.

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2015

(Unaudited)

(1) Basis of Presentation

GP Strategies Corporation is a global performance improvement solutions provider of training, e-Learning solutions, management consulting and engineering services. References in this report to “GP Strategies,” the “Company,” “we” and “our” are to GP Strategies Corporation and its subsidiaries, collectively.

The accompanying condensed consolidated balance sheet as of March 31, 2015 and the condensed consolidated statements of operations, comprehensive income (loss) and cash flows for the three months ended March 31, 2015 and 2014 have not been audited, but have been prepared in conformity with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014, as presented in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014. In the opinion of management, this interim information includes all material adjustments, which are of a normal and recurring nature, necessary for a fair presentation. The results for the 2015 interim period are not necessarily indicative of results to be expected for the entire year. Certain prior year amounts have been reclassified to conform to current year presentation.

The condensed consolidated financial statements include the operations of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated.

(2) Accounting Standard Issued

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers*, which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most current revenue recognition guidance. The standard’s core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. ASU 2014-09 will be effective for the Company in the first quarter of its fiscal year ending December 31, 2017. The Company is currently in the process of evaluating the impact of adoption of this ASU on the Company’s consolidated financial statements.

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2015
(Unaudited)

(3) Significant Customers & Concentration of Credit Risk

We have a market concentration of revenue in both the automotive sector and financial services & insurance sector. Revenue from the automotive industry accounted for approximately 13% and 12% of our consolidated revenue for the three months ended March 31, 2015 and 2014, respectively. Revenue from the financial services & insurance industry accounted for approximately 24% and 14% of our consolidated revenue for the three months ended March 31, 2015 and 2014, respectively. In prior periods, we also had a concentration of revenue from the United States government. For the three months ended March 31, 2015 and 2014, sales to the United States government and its agencies represented approximately 8% and 10%, respectively, of our consolidated revenue. Revenue was derived from many separate contracts with a variety of government agencies that are regarded by us as separate customers. Beginning in 2015, we have a concentration of revenue from a single financial services customer, which accounted for approximately 15% of our consolidated revenue three months ended March 31, 2015. As of March 31, 2015, billed and unbilled accounts receivable from a single financial services customer totaled \$25.8 million, or 21%, of our consolidated accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts balances. No other single customer accounted for more than 10% of our consolidated revenue for the three months ended March 31, 2015 and 2014 or consolidated accounts receivable balance as of March 31, 2015.

(4) Earnings Per Share

Basic earnings per share (EPS) is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution of common stock equivalent shares that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

Our dilutive common stock equivalent shares consist of stock options and restricted stock units computed under the treasury stock method, using the average market price during the period. The following table presents instruments which were not dilutive and were excluded from the computation of diluted EPS in each period, as well as the dilutive common stock equivalent shares which were included in the computation of diluted EPS:

	Three Months Ended March 31,	
	2015	2014
	<i>(In thousands)</i>	
Non-dilutive instruments	2	—
Dilutive common stock equivalents	154	281

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2015
(Unaudited)

(5) Acquisitions

Contingent Consideration

Accounting Standards Codification (“ASC”) Topic 805 requires that contingent consideration be recognized at fair value on the acquisition date and be re-measured each reporting period with subsequent adjustments recognized in the consolidated statement of operations. We estimate the fair value of contingent consideration liabilities based on financial projections of the acquired companies and estimated probabilities of achievement and discount the liabilities to present value using a weighted-average cost of capital. Contingent consideration is valued using significant inputs that are not observable in the market which are defined as Level 3 inputs pursuant to fair value measurement accounting. We believe our estimates and assumptions are reasonable; however, there is significant judgment involved. At each reporting date, the contingent consideration obligation is revalued to estimated fair value, and changes in fair value subsequent to the acquisitions are reflected in income or expense in the consolidated statements of operations, and could cause a material impact to, and volatility in, our operating results. Changes in the fair value of contingent consideration obligations may result from changes in discount periods, changes in the timing and amount of revenue and/or earnings estimates and changes in probability assumptions with respect to the likelihood of achieving the various earn-out criteria.

Below is a summary of the potential contingent consideration we may be required to pay in connection with completed acquisitions as of March 31, 2015 (dollars in thousands):

Acquisition:	Original range of potential undiscounted payments	As of March 31, 2015		
		Maximum contingent consideration due in		
		2015	2016	Total
Prospero	\$0 - \$3,955	\$ 1,582	\$ —	\$ 1,582
Effective Companies	\$0 - \$5,044	2,522	2,522	5,044
Total		\$ 4,104	\$ 2,522	\$ 6,626

Below is a summary of the changes in the recorded amount of contingent consideration liabilities from December 31, 2014 to March 31, 2015 for each acquisition (dollars in thousands):

Acquisition:	Liability as of December 31, 2014	Additions (Payments)	Change in Fair Value of Contingent Consideration	Foreign Currency Translation	Liability as of March 31, 2015
Effective Companies	\$ 5,083	\$ —	\$ 203	\$ (559)	\$ 4,727

As of March 31, 2015 and December 31, 2014, contingent consideration considered a current liability and included in accounts payable totaled \$4.7 million and \$2.7 million, respectively. As of March 31, 2015 and December 31, 2014, we also had accrued contingent consideration totaling \$0 and \$2.4 million, respectively, related to acquisitions which are included in other long-term liabilities on the consolidated balance sheet and represent the portion of contingent consideration estimated to be payable greater than twelve months from the balance sheet date.

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2015
(Unaudited)

(6) Intangible Assets

Goodwill

Changes in the carrying amount of goodwill by reportable business segment for the three months ended March 31, 2015 were as follows (in thousands):

	Learning Solutions	Professional & Technical Services	Sandy	Performance Readiness Solutions	Total
Balance as of December 31, 2014	\$ 53,094	\$ 44,143	\$ 653	\$ 27,867	\$ 125,757
Foreign currency translation	(2,596)	(425)	—	(66)	(3,087)
Balance as of March 31, 2015	<u>\$ 50,498</u>	<u>\$ 43,718</u>	<u>\$ 653</u>	<u>\$ 27,801</u>	<u>\$ 122,670</u>

Intangible Assets Subject to Amortization

Intangible assets with finite lives are subject to amortization over their estimated useful lives. The primary assets included in this category and their respective balances were as follows (in thousands):

March 31, 2015

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 20,796	\$ (12,596)	\$ 8,200
Tradenames	—	—	—
Intellectual property and other	2,150	(1,338)	812
	<u>\$ 22,946</u>	<u>\$ (13,934)</u>	<u>\$ 9,012</u>

December 31, 2014

Customer relationships	\$ 22,603	\$ (13,042)	\$ 9,561
Tradenames	—	—	—
Intellectual property and other	2,160	(1,186)	974
	<u>\$ 24,763</u>	<u>\$ (14,228)</u>	<u>\$ 10,535</u>

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2015
(Unaudited)

(7) Stock-Based Compensation

We recognize compensation expense for stock-based compensation awards issued to employees that are expected to vest. Compensation cost is based on the fair value of awards as of the grant date.

The following table summarizes the pre-tax stock-based compensation expense included in reported net income (in thousands):

	Three months ended March 31,	
	2015	2014
Non-qualified stock options	\$ 62	\$ 132
Restricted stock units	439	292
Board of Directors stock grants	111	82
Total stock-based compensation expense	<u>\$ 612</u>	<u>\$ 506</u>

Pursuant to our 2011 Stock Incentive Plan (the “2011 Plan”), we may grant awards of non-qualified stock options, incentive stock options, restricted stock, stock units, performance shares, performance units and other incentives payable in cash or in shares of our common stock to officers, employees or members of the Board of Directors. As of March 31, 2015, we had non-qualified stock options and restricted stock units outstanding under these plans as discussed below.

Non-Qualified Stock Options

Summarized information for the Company’s non-qualified stock options is as follows:

Stock Options	Number of options	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding at December 31, 2014	229,150	\$ 11.54		
Granted	—	—		
Exercised	(27,900)	10.18		
Forfeited	—	—		
Expired	—	—		
Outstanding at March 31, 2015	<u>201,250</u>	<u>\$ 11.72</u>	1.66	<u>\$ 5,087,000</u>
Exercisable at March 31, 2015	<u>125,650</u>	<u>\$ 10.21</u>	1.35	<u>\$ 3,366,000</u>

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2015
(Unaudited)

Restricted Stock Units

In addition to stock options, we issue restricted stock units to key employees and members of the Board of Directors based on meeting certain service goals. The stock units vest to the recipients at various dates, up to five years, based on fulfilling service requirements. We recognize the value of the market price of the underlying stock on the date of grant as compensation expense over the requisite service period. Upon vesting, the stock units are settled in shares of our common stock. Summarized share information for our restricted stock units is as follows:

	Three Months Ended March 31, 2015	Weighted average grant date fair value
	<i>(In shares)</i>	<i>(In dollars)</i>
Outstanding and unvested, beginning of period	263,084	\$ 25.00
Granted	82,120	36.71
Vested	(2,050)	15.36
Forfeited	(325)	25.92
Outstanding and unvested, end of period	<u>342,829</u>	<u>\$ 27.86</u>

On March 30, 2015, the Compensation Committee approved an incentive program providing for the issuance to certain executives of the Company of performance-based and time-based restricted stock units under the 2011 Plan. Under the program, a target level of equity compensation is set for each officer. The total equity compensation is divided into performance-based and time-based restricted stock units. Under the program, the Compensation Committee sets the performance-based goals within the first 90 days of each year.

On March 30, 2015, the Compensation Committee granted 52,476 performance-based restricted stock units ("PSU's") to certain officers of the Company. Vesting of the PSU's is contingent upon the employee's continued employment and the Company's achievement of certain performance goals during a three-year performance period. The performance goals are established by the Compensation Committee and for the 2015-2017 performance period are based on financial targets, including an average annual return on capital ("ROIC") and average annual growth in earnings before interest, taxes, depreciation and amortization (adjusted to exclude the effect of acquisitions, dispositions, and certain other nonrecurring or extraordinary items) ("Adjusted EBITDA"). We recognize compensation expense, net of estimated forfeitures, for PSU's on a straight-line basis over the performance period based on the probable outcome of achievement of the financial targets. At the end of each reporting period, we estimate the number of PSU's expected to vest, based on the probability and extent to which the performance goals will be met, and take into account these estimates when calculating the expense for the period. If the number of shares expected to be earned changes during the performance period, we will make a cumulative adjustment to compensation expense based on the revised number of shares expected to be earned.

Also on March 30, 2015 in conjunction with the grant of PSU's, the Compensation Committee granted a total of 29,644 time-based restricted stock units to the same officers of the Company. Vesting of the time-based restricted stock units is subject to the employee's continued employment through December 31, 2017.

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2015

(Unaudited)

(8) Debt

On September 2, 2014, we entered into a Fourth Amended and Restated Financing and Security Agreement (the "Credit Agreement"). The Credit Agreement provides for a revolving credit facility up to a maximum principal amount of \$65 million and for a term loan in the principal amount of \$40 million maturing on October 31, 2017 (the "Maturity Date"), and is secured by substantially all of our assets.

The maximum interest rate on the Credit Agreement is the daily one-month LIBOR market index rate plus 2.50%. Based on our financial performance, the interest rate can be reduced to a minimum rate of the daily one-month LIBOR market index rate plus 1.25%, with the rate being determined based on our maximum leverage ratio for the preceding four quarters. Each unpaid advance on the revolving loan will bear interest until the Maturity Date. The term loan is payable in monthly installments equal to \$1.1 million plus applicable interest, beginning on November 1, 2014 and ending on the Maturity Date. We may prepay the term loan or the revolving loan, in whole or in part, at any time without premium or penalty, subject to certain conditions. Amounts repaid or prepaid on the term loan may not be reborrowed.

The Credit Agreement contains customary affirmative and negative covenants, including covenants that limit or restrict our and our subsidiaries' (subject to certain exceptions) ability to, among other things, grant liens, make investments, incur indebtedness, merge or consolidate, dispose of assets or make acquisitions. We are also required to maintain compliance with a minimum fixed charge coverage ratio and a maximum leverage ratio. We were in compliance with all of the financial covenants under the Credit Agreement as of March 31, 2015. As of March 31, 2015, our total long-term debt outstanding under the term loan was \$34.4 million. In addition, there were \$21.5 million of borrowings outstanding and \$42.6 million of available borrowings under the Credit Agreement. For the three months ended March 31, 2015, the weighted average interest rate on our borrowings was 2.2%.

(9) Income Taxes

Income tax expense was \$2.6 million, or an effective income tax rate of 39.1%, for the three months ended March 31, 2015 compared to \$2.8 million, or an effective income tax rate of 39.4%, for the three months ended March 31, 2014. Income tax expense for the quarterly periods is based on an estimated annual effective tax rate which includes the U.S. federal, state and local, and non-U.S. statutory rates, permanent differences, and other items that may have an impact on income tax expense.

An uncertain tax position taken or expected to be taken in a tax return is recognized in the financial statements when it is more likely than not (i.e., a likelihood of more than fifty percent) that the position would be sustained upon examination by tax authorities that have full knowledge of all relevant information. A recognized tax position is then measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Interest and penalties related to income taxes are accounted for as income tax expense. As of March 31, 2015, we had no uncertain tax positions reflected on our consolidated balance sheet. The Company files income tax returns in U.S. federal, state and local jurisdictions, and various non-U.S. jurisdictions, and is subject to audit by tax authorities in those jurisdictions. Tax years 2011 through 2014 remain open to examination by these tax jurisdictions, and earlier years remain open to examination in certain of these jurisdictions which have longer statutes of limitations.

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2015
(Unaudited)

(10) Stockholders' Equity

Changes in stockholders' equity during the three months ended March 31, 2015 were as follows (in thousands):

	Common stock	Additional paid-in capital	Retained earnings	Treasury stock at cost	Accumulated other comprehensive loss	Total stockholders' equity
Balance at December 31, 2014	\$ 171	\$ 104,523	\$ 54,809	\$ (381)	\$ (7,397)	\$ 151,725
Net income	—	—	4,107	—	—	4,107
Foreign currency translation adjustment	—	—	—	—	(4,585)	(4,585)
Repurchases of common stock	—	—	—	(364)	—	(364)
Stock-based compensation expense	—	612	—	—	—	612
Issuance of stock for employer contributions to retirement plan	—	266	—	395	—	661
Net issuances of stock pursuant to stock compensation plans and other	—	(93)	—	181	—	88
Balance at March 31, 2015	<u>\$ 171</u>	<u>\$ 105,308</u>	<u>\$ 58,916</u>	<u>\$ (169)</u>	<u>\$ (11,982)</u>	<u>\$ 152,244</u>

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2015

(Unaudited)

(11) Business Segments

As of March 31, 2015, we operated through four reportable business segments: (i) Learning Solutions, (ii) Professional & Technical Services, (iii) Sandy Training & Marketing, and (iv) Performance Readiness Solutions. Each of our reportable segments represents an operating segment under U.S. GAAP. We are organized by operating groups primarily based upon the markets served by each group and/or the services performed. Each operating group consists of business units which are focused on providing specific products and services to certain classes of customers or within targeted markets. Marketing and communications, accounting, finance, legal, human resources, information systems and other administrative services are organized at the corporate level. Business development and sales resources are aligned with operating groups to support existing customer accounts and new customer development.

Effective January 1, 2015, we realigned our operating groups, centralizing our service offerings to better respond to our customers' global needs, and to improve our internal efficiencies to leverage common technologies and practices across the company. This resulted in changes to our organizational structure to transfer the management responsibility of certain business units between segments, which changed the composition of certain of our operating segments. The changes primarily consisted of: (i) the Energy Services group became part of the Professional & Technical Services segment; (ii) certain business units providing leadership development offerings were transferred from the Learning Solutions segment to the Performance Readiness Solutions segment, (iii) a business unit which predominantly provides content development services to U.S. government and commercial clients transferred from the Professional & Technical Services segment to the Performance Readiness Solutions segment; and (iv) two business units providing engineering and technical services in Europe were transferred from the Learning Solutions segment to the Professional & Technical Services segment. We have reclassified the segment financial information herein for all prior years to reflect these changes and conform to the current year's presentation.

Further information regarding our business segments is discussed below.

Learning Solutions. The Learning Solutions segment delivers training, curriculum design and development, eLearning services, system hosting, training business process outsourcing and consulting services globally. This segment serves large companies in the electronics and semiconductors, healthcare, software, financial services and other industries, as well as government agencies. This segment also provides apprenticeship and vocational skills training for the United Kingdom government. The ability to deliver a wide range of training services on a global basis allows this segment to take over the entire learning function for the client, including their training personnel.

Professional & Technical Services. The Professional & Technical Services segment provides training, consulting, engineering and technical services, including lean consulting, emergency preparedness, safety and regulatory compliance, chemical demilitarization and environmental services primarily to large companies in the manufacturing, steel, pharmaceutical, energy and petrochemical industries; federal and state government agencies; and large government contractors. Our proprietary EtaPRO™ Performance and Condition Monitoring System provides a suite of real-time software solutions for power generation facilities and is installed on power-generating units across the world. In addition to providing custom training solutions, this segment provides web-based training through our GPiLEARN™ portal, which offers a variety of courses to power plant personnel in the U.S. and other countries. This segment also provides services to users of alternative fuels, including designing and constructing liquefied natural gas (LNG), liquid to compressed natural gas (LCNG) and hydrogen fueling stations, as well as supplying equipment.

Sandy Training & Marketing. The Sandy Training & Marketing segment provides custom product sales training and has been a leader in serving manufacturing customers in the U.S. automotive industry for over 30 years. Sandy provides custom product sales training designed to better educate customer salesforces with respect to new vehicle features and designs, in effect rapidly increasing the salesforce knowledge base and enabling them to address detailed customer queries. Furthermore, Sandy helps our clients assess their customer relationship marketing strategy and connect with their customers on a one-to-one basis. This segment also provides technical training services to automotive manufacturers as well as customers in other industries.

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2015
(Unaudited)

Performance Readiness Solutions. This segment provides performance consulting and technology consulting services, including platform adoption, end-user training, change management, knowledge management, customer product training outsourcing, training content development and sales enablement solutions. This segment also offers organizational performance solutions, including leadership development training and employee engagement tools and services. Industries served include manufacturing, aerospace, healthcare, life sciences, consumer products, financial, telecommunications, services and higher education, as well as government agencies.

We do not allocate the following items to the segments: other income, interest expense, gain (loss) on change in fair value of contingent consideration and income tax expense. Inter-segment revenue is eliminated in consolidation and is not significant.

The following table sets forth the revenue and operating results attributable to each reportable segment and includes a reconciliation of segment revenue to consolidated revenue and operating results to consolidated income before income tax expense (in thousands):

	Three Months Ended March 31,	
	2015	2014
Revenue:		
Learning Solutions	\$ 51,829	\$ 43,739
Professional & Technical Services	29,897	40,269
Sandy Training & Marketing	14,729	14,258
Performance Readiness Solutions	18,798	19,614
	<u>\$ 115,253</u>	<u>\$ 117,880</u>
Operating income:		
Learning Solutions	\$ 3,154	\$ 1,825
Professional & Technical Services	3,799	4,391
Sandy Training & Marketing	399	577
Performance Readiness Solutions	184	(27)
Gain (loss) on change in fair value of contingent consideration, net	(203)	377
Operating income	<u>7,333</u>	<u>7,143</u>
Interest expense	365	205
Other income (expense)	(225)	189
Income before income tax expense	<u>\$ 6,743</u>	<u>\$ 7,127</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

General Overview

We are a global performance improvement solutions provider of training, e-Learning solutions, management consulting and engineering services that seeks to improve the effectiveness of organizations by providing services and products that are customized to meet the specific needs of clients. Clients include Fortune 500 companies and governmental and other commercial customers in a variety of industries. We believe we are a global leader in performance improvement, with over four decades of experience in providing solutions to optimize workforce performance.

As of March 31, 2015, we operated through four reportable business segments: (i) Learning Solutions, (ii) Professional & Technical Services, (iii) Sandy Training & Marketing, and (iv) Performance Readiness Solutions. Each of our reportable segments represents an operating segment under U.S. GAAP. We are organized by operating group primarily based upon the markets served by each group and/or the services performed. Each operating group consists of business units which are focused on providing specific products and services to certain classes of customers or within targeted markets. Marketing and communications, accounting, finance, legal, human resources, information systems and other administrative services are organized at the corporate level. Business development and sales resources are aligned with operating groups to support existing customer accounts and new customer development.

Effective January 1, 2015, we realigned our operating groups, centralizing our service offerings to better respond to our customers' global needs, and to improve our internal efficiencies to leverage common technologies and practices across the company. This resulted in changes to our organizational structure to transfer the management responsibility of certain business units between segments, which changed the composition of certain of our operating segments. The changes primarily consisted of: (i) the Energy Services group became part of the Professional & Technical Services segment; (ii) certain business units providing leadership development offerings were transferred from the Learning Solutions segment to the Performance Readiness Solutions segment, (iii) a business unit which predominantly provides content development services to U.S. government and commercial clients transferred from the Professional & Technical Services segment to the Performance Readiness Solutions segment; and (iv) two business units providing engineering and technical services in Europe were transferred from the Learning Solutions segment to the Professional & Technical Services segment. We have reclassified the segment financial information herein for all prior years to reflect these changes and conform to the current year's presentation.

Further information regarding our business segments is discussed below.

Learning Solutions. The Learning Solutions segment delivers training, curriculum design and development, eLearning services, system hosting, training business process outsourcing and consulting services globally. This segment serves large companies in the electronics and semiconductors, healthcare, software, financial services and other industries, as well as government agencies. This segment also provides apprenticeship and vocational skills training for the United Kingdom government. The ability to deliver a wide range of training services on a global basis allows this segment to take over the entire learning function for the client, including their training personnel.

Professional & Technical Services. The Professional & Technical Services segment provides training, consulting, engineering and technical services, including lean consulting, emergency preparedness, safety and regulatory compliance, chemical demilitarization and environmental services primarily to large companies in the manufacturing, steel, pharmaceutical, energy and petrochemical industries; federal and state government agencies; and large government contractors. Our proprietary EtaPRO™ Performance and Condition Monitoring System provides a suite of real-time software solutions for power generation facilities and is installed on power-generating units across the world. In addition to providing custom training solutions, this segment provides web-based training through our GPiLEARN™ portal, which offers a variety of courses to power plant personnel in the U.S. and other countries. This segment also provides services to users of alternative fuels, including designing and constructing liquefied natural gas (LNG), liquid to compressed natural gas (LCNG) and hydrogen fueling stations, as well as supplying equipment.

Sandy Training & Marketing. The Sandy Training & Marketing segment provides custom product sales training and has been a leader in serving manufacturing customers in the U.S. automotive industry for over 30 years. Sandy provides custom product sales training designed to better educate customer salesforces with respect to new vehicle features and designs, in effect rapidly increasing the salesforce knowledge base and enabling them to address detailed customer queries. Furthermore, Sandy helps our clients assess their customer relationship marketing strategy and connect with their customers on a one-to-one basis. This segment also provides technical training services to automotive manufacturers as well as customers in other industries.

Performance Readiness Solutions. This segment provides performance consulting and technology consulting services, including platform adoption, end-user training, change management, knowledge management, customer product training outsourcing, training content development and sales enablement solutions. This segment also offers organizational performance solutions, including leadership development training and employee engagement tools and services. Industries served include manufacturing, aerospace, healthcare, life sciences, consumer products, financial, telecommunications, services and higher education, as well as government agencies.

Operating Highlights

Three Months ended March 31, 2015 Compared to the Three Months ended March 31, 2014

For the three months ended March 31, 2015, we had income before income tax expense of \$6.7 million compared to \$7.1 million for the three months ended March 31, 2014. Gross profit was \$19.1 million, or 16.6% of revenue, for the first quarter of 2015 compared to \$18.4 million, or 15.6% of revenue, for the first quarter of 2014. Operating income, the components of which are discussed below by segment, increased \$0.2 million or 2.7% to \$7.3 million for the first quarter of 2015 compared to \$7.1 million for the first quarter of 2014. The net increase in operating income was primarily due to a \$0.8 million increase in gross profit, partially offset by a \$0.6 million decrease in the gain/loss on change in fair value of contingent consideration. Net income was \$4.1 million, or \$0.24 per diluted share, for the three months ended March 31, 2015, compared to net income of \$4.3 million, or \$0.22 per diluted share, for the three months ended March 31, 2014. Diluted weighted average shares outstanding were 17.3 million for the three months ended March 31, 2015 compared to 19.4 million for the three months ended March 31, 2014. The decrease in shares outstanding is primarily due to the completion of the modified "Dutch auction" tender offer in October 2014 in which we repurchased 2.1 million shares of our outstanding common stock.

Revenue

(Dollars in thousands)

	Three months ended March 31,	
	2015	2014
Learning Solutions	\$ 51,829	\$ 43,739
Professional & Technical Services	29,897	40,269
Sandy Training & Marketing	14,729	14,258
Performance Readiness Solutions	18,798	19,614
	<u>\$ 115,253</u>	<u>\$ 117,880</u>

Learning Solutions revenue increased \$8.1 million or 18.5% during the first quarter of 2015 compared to the first quarter of 2014. The increase in revenue is due to the following:

- A \$1.9 million increase attributable to the Effective Companies acquisition completed in April 2014;
- A \$7.1 million net increase in e-Learning content development and training business process outsourcing (BPO) services primarily attributable to a global outsourcing contract with a financial services client; and
- A \$0.9 million increase in UK government funded skills training services.

These revenue increases were offset by a \$1.8 million decrease in revenue due to unfavorable changes in exchange rates.

Professional & Technical Services revenue decreased \$10.4 million or 25.8% during the first quarter of 2015 compared to the first quarter of 2014. The net decrease in revenue is due to the following:

- A \$9.7 million decrease due to the completion of LNG projects by our alternative fuels business in 2014;
- A \$1.7 million net decrease in revenue from U.S. government clients due to project completions in 2014; and
- A \$0.6 million decrease in revenue due to unfavorable changes in exchange rates.

These decreases were partially offset by a \$1.1 million net increase in training and engineering services and software sales primarily to Energy clients and a \$0.5 million net increase in training and technical services for oil and gas clients.

Sandy Training & Marketing revenue increased \$0.5 million or 3.3% during the first quarter of 2015 compared to the first quarter of 2014. The net increase is primarily due to an increase in training services for automotive customers.

Performance Readiness Solutions revenue decreased \$0.8 million or 4.2% during the first quarter of 2015 compared to the first quarter of 2014 primarily due to a net decrease in content development services for various clients.

Gross Profit

(Dollars in thousands)

	Three months ended			
	March 31,			
	2015		2014	
	% Revenue		% Revenue	
Learning Solutions	\$ 8,347	16.1%	\$ 6,369	14.6%
Professional & Technical Services	6,413	21.5%	7,940	19.7%
Sandy Training & Marketing	1,976	13.4%	1,910	13.4%
Performance Readiness Solutions	2,399	12.8%	2,136	10.9%
	<u>\$ 19,135</u>	<u>16.6%</u>	<u>\$ 18,355</u>	<u>15.6%</u>

Learning Solutions gross profit of \$8.3 million or 16.1% of revenue for the first quarter of 2015 increased by \$2.0 million or 31.1% when compared to gross profit of \$6.4 million or 14.6% of revenue for the first quarter of 2014. The increase in gross profit is due to the revenue increases noted above, a reduction in implementation costs incurred on a global outsourcing contract with a financial services client and an increase in gross profit and margin on UK government funded skills training services.

Professional & Technical Services gross profit of \$6.4 million or 21.5% of revenue for the first quarter of 2015 decreased by \$1.5 million or 19.2% when compared to gross profit of \$7.9 million or 19.7% of revenue for the first quarter of 2014. The decrease in gross profit is primarily due to the revenue decreases noted above, largely due to the completion of LNG projects in 2014, and a \$0.6 million one-time revenue and profit adjustment relating to a final contract negotiation and close-out in the first quarter of 2014 that did not recur in 2015. Despite the gross profit decline in this segment, gross margin increased due to an increase in higher margin software sales during the first quarter of 2015.

Sandy Training and Marketing gross profit of \$2.0 million or 13.4% of revenue for the first quarter of 2015 increased by \$0.1 million or 3.5% when compared to gross profit of \$1.9 million or 13.4% of revenue for the first quarter of 2014 due to the revenue increase noted above.

Performance Readiness Solutions gross profit of \$2.4 million or 12.8% of revenue for the first quarter of 2015 increased by \$0.3 million or 12.3% when compared to gross profit of \$2.1 million or 10.9% of revenue for the first quarter of 2014. Despite the revenue decline in this segment, gross profit increased due to improved utilization of resources on leadership development services in the first quarter of 2015 compared to the first quarter of 2014.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were \$11.6 million for the first quarters of both 2015 and 2014. While SG&A was flat quarter over quarter, we had a \$0.8 million increase in labor and benefits expense due to international expansion during 2014, offset by a \$0.3 million decrease in legal and accounting expenses, a \$0.2 million decrease in bad debt expense and a \$0.3 million decrease in amortization expense during the three months ended March 31, 2015 compared to the same period in 2014.

Change in Fair Value of Contingent Consideration

We recognized a net loss on the change in fair value of contingent consideration related to acquisitions of \$0.2 million for the three months ended March 31, 2015 compared to a net gain of \$0.4 million for the first quarter of 2014. Changes in the fair value of contingent consideration obligations result from changes in discount periods, changes in the timing and amount of revenue and/or earnings estimates and changes in probability assumptions with respect to the likelihood of achieving the various earn-out criteria. See Note 5 to the Condensed Consolidated Financial Statements for further details regarding the potential contingent consideration payments and the changes in fair value of the related liabilities during the three months ended March 31, 2015.

Interest Expense

Interest expense increased \$0.2 million from \$0.2 million for the first quarter of 2014 to \$0.4 million for the first quarter of 2015 due to an increase in borrowings under our Credit Agreement to fund the modified "Dutch auction" tender offer that was completed in October 2014.

Other Expense

Other expense was \$0.2 million for the first quarter of 2015 compared to other income of \$0.2 million for the first quarter of 2014 and consisted primarily of income from a joint venture offset by foreign currency losses in both years. During the three months ended March 31, 2015, we had a \$0.4 million increase in foreign currency losses compared the corresponding period in 2014.

Income Tax Expense

Income tax expense was \$2.6 million for the first quarter of 2015 compared to \$2.8 million for the first quarter of 2014. The effective income tax rate was 39.1% and 39.4% for the three months ended March 31, 2015 and 2014, respectively. Income tax expense for the quarterly periods is based on an estimated annual effective tax rate which includes the U.S. federal, state and local, and non-U.S. statutory rates, permanent differences, and other items that may have an impact on income tax expense.

Liquidity and Capital Resources

Working Capital

For the three months ended March 31, 2015, our working capital was \$43.4 million at March 31, 2015 compared to \$43.5 million at December 31, 2014. As of March 31, 2015 we had \$21.5 million of short-term borrowings and \$34.4 million of long-term debt outstanding. We believe that cash generated from operations and borrowings available under our Credit Agreement (\$42.6 million of available borrowings as of March 31, 2015) will be sufficient to fund our working capital and other requirements for at least the next twelve months.

As of March 31, 2015, the amount of cash and cash equivalents held outside of the U.S. by foreign subsidiaries was \$12.1 million. At the present time, we do not anticipate repatriating these balances to fund domestic operations. We would be required to accrue for and pay taxes in the U.S. in the event we decided to repatriate these funds.

Acquisition-Related Payments

We may be required to pay the following additional contingent consideration in connection with completed acquisitions (dollars in thousands):

Acquisition:	As of March 31, 2015			Recorded Liability as of March 31, 2015
	Maximum potential contingent consideration due in			
	2015	2016	Total	
Prospero	\$ 1,582	\$ —	\$ 1,582	\$ —
Effective Companies	2,522	2,522	5,044	4,727
Total	\$ 4,104	\$ 2,522	\$ 6,626	\$ 4,727

Significant Customers & Concentration of Credit Risk

We have a market concentration of revenue in both the automotive sector and financial services & insurance sector. Revenue from the automotive industry accounted for approximately 13% and 12% of our consolidated revenue for the three months ended March 31, 2015 and 2014, respectively. Revenue from the financial services & insurance industry accounted for approximately 24% and 14% of our consolidated revenue for the three months ended March 31, 2015 and 2014, respectively. In prior periods, we also had a concentration of revenue from the United States government. For the three months ended March 31, 2015 and 2014, sales to the United States government and its agencies represented approximately 8% and 10%, respectively, of our consolidated revenue. Revenue was derived from many separate contracts with a variety of government agencies that are regarded by us as separate customers. Beginning in 2015, we have a concentration of revenue from a single financial services customer, which accounted for approximately 15% of our consolidated revenue three months ended March 31, 2015. As of March 31, 2015, billed

and unbilled accounts receivable from a single financial services customer totaled \$25.8 million, or 21%, of our consolidated accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts balances. No other single customer accounted for more than 10% of our consolidated revenue for the three months ended March 31, 2015 and 2014 or consolidated accounts receivable balance as of March 31, 2015.

Cash Flows

Three Months ended March 31, 2015 Compared to the Three Months ended March 31, 2014

Our cash balance decreased \$2.4 million from \$14.5 million as of December 31, 2014 to \$12.1 million as of March 31, 2015. The decrease in cash and cash equivalents during the three months ended March 31, 2015 resulted from cash provided by operating activities of \$3.2 million, cash used in investing activities of \$0.6 million, cash used in financing activities of \$4.5 million and a \$0.5 million negative effect of exchange rate changes on cash and cash equivalents.

Cash provided by operating activities was \$3.2 million for the three months ended March 31, 2015 compared to \$0.7 million for the same period in 2014. The increase in cash is primarily due to a net favorable increase in the change in working capital balances during the first quarter of 2015 compared to the first quarter of 2014.

Cash used in investing activities was \$0.6 million for the three months ended March 31, 2015 compared to \$0.9 million for the same period in 2014 and consisted of fixed asset additions in both periods.

Cash used in financing activities was \$4.5 million for the three months ended March 31, 2015 compared to \$0.1 million for the same period in 2014. The increase in cash used in financing activities is primarily due to \$3.3 million of long-term debt repayments in the first quarter of 2015 and a \$1.6 million reduction in proceeds from short-term borrowings in the first quarter of 2015 compared to the first quarter of 2014.

Debt

On September 2, 2014, we entered into a Fourth Amended and Restated Financing and Security Agreement (the "Credit Agreement"). The Credit Agreement provides for a revolving credit facility up to a maximum principal amount of \$65 million and for a term loan in the principal amount of \$40 million maturing on October 31, 2017 (the "Maturity Date"), and is secured by substantially all of our assets.

The maximum interest rate on the Credit Agreement is the daily one-month LIBOR market index rate plus 2.50%. Based on our financial performance, the interest rate can be reduced to a minimum rate of the daily one-month LIBOR market index rate plus 1.25%, with the rate being determined based on our maximum leverage ratio for the preceding four quarters. Each unpaid advance on the revolving loan will bear interest until the Maturity Date. The term loan is payable in monthly installments equal to \$1.1 million plus applicable interest, beginning on November 1, 2014 and ending on the Maturity Date. We may prepay the term loan or the revolving loan, in whole or in part, at any time without premium or penalty, subject to certain conditions. Amounts repaid or prepaid on the term loan may not be reborrowed.

The Credit Agreement contains customary affirmative and negative covenants, including covenants that limit or restrict our and our subsidiaries' (subject to certain exceptions) ability to, among other things, grant liens, make investments, incur indebtedness, merge or consolidate, dispose of assets, make acquisitions. We are also required to maintain compliance with a minimum fixed charge coverage ratio of 2.0 to 1.0 and a maximum leverage ratio of 2.25 to 1.0. As of March 31, 2015, our fixed coverage charge ratio was 3.4 to 1.0 and our leverage ratio was 1.0 to 1.0, all of which were in compliance with the Credit Agreement.

As of March 31, 2015, our total long-term debt outstanding under the term loan was \$34.4 million. In addition, there were \$21.5 million of borrowings outstanding and \$42.6 million of available borrowings under the Credit Agreement. For the three months ended March 31, 2015, the weighted average interest rate on our borrowings was 2.2%.

Off-Balance Sheet Commitments

As of March 31, 2015, we did not have any off-balance sheet commitments except for operating leases and letters of credit entered into in the normal course of business.

Accounting Standard Issued

We discuss recently issued accounting standards in Note 2 to the accompanying consolidated financial statements.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward looking statements. Forward-looking statements are not statements of historical facts, but rather reflect our current expectations concerning future events and results. We use words such as “expects,” “intends,” “believes,” “may,” “will,” “should,” “could,” “anticipates,” “estimates,” “plans” and similar expressions to indicate forward-looking statements, but their absence does not mean a statement is not forward-looking. Because these forward-looking statements are based upon management’s expectations and assumptions and are subject to risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements, including, but not limited to, those factors set forth in Item 1A - Risk Factors of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and those other risks and uncertainties detailed in our periodic reports and registration statements filed with the Securities and Exchange Commission. We caution that these risk factors may not be exhaustive. We operate in a continually changing business environment, and new risk factors emerge from time to time. We cannot predict these new risk factors, nor can we assess the effect, if any, of the new risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ from those expressed or implied by these forward-looking statements.

If any one or more of these expectations and assumptions proves incorrect, actual results will likely differ materially from those contemplated by the forward-looking statements. Even if all of the foregoing assumptions and expectations prove correct, actual results may still differ materially from those expressed in the forward-looking statements as a result of factors we may not anticipate or that may be beyond our control. While we cannot assess the future impact that any of these differences could have on our business, financial condition, results of operations and cash flows or the market price of shares of our common stock, the differences could be significant. We do not undertake to update any forward-looking statements made by us, whether as a result of new information, future events or otherwise. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this report.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

The Company has no material changes to the disclosure on this matter made in its Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain a comprehensive set of disclosure controls and procedures (as defined in Rules 13a-15(e) and under the Securities Exchange Act of 1934 (“Exchange Act”)) designed to provide reasonable assurance that information required to be disclosed in our filings under the Exchange Act is recorded, processed, summarized and reported accurately and within the time periods specified in the SEC’s rules and forms. Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures are effective in providing reasonable assurance of the achievement of the objectives described above.

Internal Control Over Financial Reporting

During the quarter ended March 31, 2015, there was no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d—15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

The Company has no material changes to the disclosure on this matter made in its Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information about the Company's share repurchase activity for the three months ended March 31, 2015:

Month	Issuer Purchases of Equity Securities			
	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced program	Approximate dollar value of shares that may yet be purchased under the program (1)
January 1 - 31, 2015	108 (2)	\$ 32.54	—	\$ 620,000
February 1 - 28, 2015	5,077 (2)	\$ 36.11	—	\$ 15,000,000
March 1 - 31, 2015	17,381 (2)	\$ 35.55	10,307	\$ 14,636,000

- (1) We have a share repurchase program under which we may repurchase shares of our common stock from time to time in the open market subject to prevailing business and market conditions and other factors. There is no expiration date for the repurchase program. In February 2015, the Company's Board of Directors authorized an increase to the share repurchase program of \$15 million, replacing the existing authorization.
- (2) Includes shares surrendered by employees to satisfy minimum tax withholding obligations on restricted stock units which vested and shares surrendered to exercise stock options and satisfy the related minimum tax withholding obligations during the first quarter of 2015.

Item 6. Exhibits

- 10.1 Form of Performance-Based Restricted Stock Unit Agreement.*
- 10.2 Form of Time-Based Restricted Stock Unit Agreement.*
- 10.3 Cash Bonus Plan of GP Strategies Corporation, as amended on March 30, 2015.*
- 31.1 Certification of Chief Executive Officer of the Company dated May 5, 2015 pursuant to Securities and Exchange Act Rule 13d-14(a)/15(d-14(a), as adopted pursuant to Section 302 and 404 of the Sarbanes-Oxley Act of 2002.*
- 31.2 Certification of Executive Vice President and Chief Financial Officer of the Company dated May 5, 2015 pursuant to Securities and Exchange Act Rule 13d-14(a)/15(d-14(a), as adopted pursuant to Section 302 and 404 of the Sarbanes-Oxley Act of 2002.*
- 32.1 Certification of Chief Executive Officer and Chief Financial Officer of the Company dated May 5, 2015 pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
- 101 The following materials from GP Strategies Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Operations; (iii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) Condensed Consolidated Statements of Cash Flows; and (v) Notes to Condensed Consolidated Financial Statements. *

*Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GP STRATEGIES CORPORATION

May 5, 2015

/s/ Scott N. Greenberg

Scott N. Greenberg

Chief Executive Officer

May 5, 2015

/s/ Sharon Esposito-Mayer

Sharon Esposito-Mayer

Executive Vice President and Chief Financial Officer

GP STRATEGIES CORPORATION

Restricted Stock Units Notice

under the

GP Strategies Corporation

2011 Stock Incentive Plan

(Performance-based Grant)

Name of Grantee: _____

This Notice evidences the award of restricted stock units (each, an “**RSU**,” and collectively, the “**RSUs**”) of GP Strategies Corporation, a Delaware corporation (the “**Company**”), that have been granted to you pursuant to the GP Strategies Corporation 2011 Stock Incentive Plan (the “**Plan**”) and conditioned upon your agreement to the terms of the attached Restricted Stock Units Agreement (the “**Agreement**”). This Notice constitutes part of and is subject to the terms and provisions of the Agreement and the Plan, which are incorporated by reference herein. Each RSU is equivalent in value to one share of the Company’s Common Stock and represents the Company’s commitment to issue one share of the Company’s Common Stock at a future date, subject to the terms of the Agreement and the Plan. The RSUs are credited to a separate account maintained for you on the books and records of the Company (the “**Account**”). All amounts credited to the Account will continue for all purposes to be part of the general assets of the Company.

Grant Date: _____

Number of RSUs: _____

Vesting Schedule: All of the RSUs are nonvested and forfeitable as of the Grant Date and shall vest, if at all, on the date (which shall be no later than March 31, 2018) upon which the Compensation Committee determines the extent to which the thresholds set forth below have been met. So long as your Service (as defined in the Agreement) is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur (except as set forth below), the RSUs will become vested and nonforfeitable based on the following performance measures (the “Performance Measures”):

- a. Return on Capital Performance Threshold -- If the Company’s average annual Return on Capital Ratio for the performance period from January 1, 2015 to December 31, 2017 (the “Performance Period”) is 13% or greater, 50% of the RSUs will vest. If the Return on Capital Ratio is at least 10%, 10% of the RSUs will vest. If the Return on Capital Ratio is more than 10% but less than 13%, the number of RSUs which vest shall be interpolated.
- b. Adjusted EBITDA Growth Performance Threshold - If the Company’s average annual Adjusted EBITDA Growth for the Performance Period is 14% or greater, 50% of the RSUs will vest. If Adjusted EBITDA Growth is at least 10%, 10% of the RSUs will vest. If the Adjusted EBITDA Growth is more than 10% but less than 14%, the number of RSUs which vest shall be interpolated.

“Return on Capital Ratio” means (1) EBIT multiplied by (1-cash tax rate) divided by (2) total assets less non-interest bearing current liabilities.

“Cash tax rate” means current tax expense divided by net income before taxes.

“Adjusted EBITDA Growth” means the difference between EBITDA for the relevant year and EBITDA for the previous year adjusted to (1) exclude results from any acquisitions that occurred during the year or that were not included in the full prior year results, (2) exclude the results of any disposition that occurred during the year from that year and the previous year’s results, (3) exclude any extraordinary or unusual nonrecurring items of income or expense (including without limitation restructuring charges, severance, write off of goodwill, future lease expense and similar items).

All calculations shall be made using amounts stated in the Company’s audited financial statements for the relevant periods prepared in accordance with GAAP.

To the extent not already vested or previously forfeited, if your Service ceases due to death, Total and Permanent Disability, or Retirement, your RSUs will become vested and nonforfeitable on a pro rata basis based on actual performance through the end of the Performance Period (or as otherwise required under the terms of the Plan).

To the extent not already vested or previously forfeited, if a Change in Control occurs, your RSUs will become vested and nonforfeitable on the date of the Change in Control based on achievement of the pro rata portion of the Performance Measures relating to the portion of the Performance Period completed as of the date of the Change in Control (or as otherwise required under the terms of the Plan).

Forfeiture of RSUs: To the extent not previously forfeited, all of your then-unvested RSUs will be forfeited to the Company, without payment of any consideration therefore, immediately and automatically upon the earlier of the date on which your Service with the Company ceases for any reason other than death, Disability, or Retirement.

I acknowledge that I have carefully read the Agreement and the prospectus for the Plan. I agree to be bound by all of the provisions set forth in those documents. I also consent to electronic delivery of all notices or other information with respect to the RSUs or the Company.

Signature of Grantee

Date

GP Strategies Corporation
Restricted Stock Units Agreement
under the
GP Strategies Corporation
2011 Stock Incentive Plan

1. Terminology. Unless otherwise provided in this Agreement, capitalized terms used herein are defined in the Glossary at the end of this Agreement.

2. Vesting. All of the RSUs are nonvested and forfeitable as of the Grant Date. So long as your Service is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur, the RSUs will become vested and nonforfeitable in accordance with the vesting schedule set forth in the Notice. Except for the circumstances, if any, described in the Notice, none of the RSUs will become vested and nonforfeitable after your Service ceases.

3. Termination of Employment or Service. Unless otherwise provided in the Notice, if your Service with the Company ceases for any reason, all RSUs that are not then vested and nonforfeitable will be forfeited to the Company immediately and automatically upon such cessation without payment of any consideration therefor and you will have no further right, title or interest in or to such RSUs or the underlying shares of Common Stock.

4. Restrictions on Transfer. Neither this Agreement nor any of the RSUs may be assigned, transferred, pledged, hypothecated or disposed of in any way, whether by operation of law or otherwise, and the RSUs shall not be subject to execution, attachment or similar process. All rights with respect to this Agreement and the RSUs shall be exercisable during your lifetime only by you or your guardian or legal representative. Notwithstanding the foregoing, the RSUs may be transferred upon your death by last will and testament or under the laws of descent and distribution.

5. Settlement of RSUs.

(a) Manner of Settlement. You are not required to make any monetary payment (other than applicable tax withholding, if required) as a condition to settlement of the RSUs. The Company will issue to you, in settlement of your RSUs and subject to the provisions of Section 6 below, the number of whole shares of Common Stock that equals the number of whole RSUs that become vested, and such vested RSUs will terminate and cease to be outstanding upon such issuance of the shares. Upon issuance of such shares, the Company will determine the form of delivery (e.g., a stock certificate or electronic entry evidencing such shares) and may deliver such shares on your behalf electronically to the Company's designated stock plan administrator or such other broker-dealer as the Company may choose at its sole discretion, within reason.

(b) Timing of Settlement. Your RSUs will be settled by the Company, via the issuance of Common Stock as described herein, promptly following the date that the RSUs become vested and nonforfeitable, and in any event no later than March 15 of the calendar year following the calendar year, in which the RSUs become vested and nonforfeitable. However, if a scheduled issuance date falls on a Saturday, Sunday or federal holiday, such issuance date shall instead fall on the next following day that the principal executive offices of the Company are open for business. Notwithstanding the foregoing, in the event that (i) you are subject to the Company's policy permitting officers and directors to sell shares only during certain "window" periods, in effect from time to time or you are otherwise prohibited from selling shares of the Company's Common Stock in the public market and any shares covered by your RSUs are scheduled to be issued on a day (the "**Original Distribution Date**") that does not occur during an open "window period" applicable to you, as determined by the Company in accordance with such policy, or does not occur on a date when you are otherwise permitted to sell shares of the Company's Common Stock in the open market, and (ii) the Company elects not to satisfy its tax withholding obligations by withholding shares from your distribution, then such shares shall not be issued and delivered on such Original Distribution Date and shall instead be issued and delivered on the first business day of the next occurring open "window period" applicable to you pursuant to such policy (regardless of whether you are still providing continuous services at such time) or the next business day when you are not prohibited from selling shares of the Company's Common Stock in the open market, but in no event later than the fifteenth day of the third calendar month of the calendar year following the calendar year in which the Original Distribution Date

occurs. In all cases, the issuance and delivery of shares under this Agreement is intended to comply with Treasury Regulation 1.409A-1(b)(4) and shall be construed and administered in such a manner.

6. Tax Withholding. On or before the time you receive a distribution of the shares subject to your RSUs, or at any time thereafter as requested by the Company, you hereby authorize any required withholding from the Common Stock issuable to you and/or otherwise agree to make adequate provision in cash for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate which arise in connection with your RSUs (the "**Withholding Taxes**"). Additionally, the Company may, in its sole discretion, satisfy all or any portion of the Withholding Taxes obligation relating to your RSUs by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company; (ii) causing you to tender a cash payment; (iii) permitting you to enter into a "same day sale" commitment with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "**FINRA Dealer**") whereby you irrevocably elect to sell a portion of the shares to be delivered under the Agreement to satisfy the Withholding Taxes and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Withholding Taxes directly to the Company; or (iv) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the RSUs with a Fair Market Value (measured as of the date shares of Common Stock are issued to you pursuant to Section 5) equal to the amount of such Withholding Taxes; provided, however, that the number of such shares of Common Stock so withheld shall not exceed the amount necessary to satisfy the Company's required tax withholding obligations using the minimum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income. Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to deliver to you any Common Stock. In the event the Company's obligation to withhold arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Company's withholding obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

7. Adjustments for Corporate Transactions and Other Events.

(a) Stock Dividend, Stock Split and Reverse Stock Split. Upon a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, the number of outstanding RSUs shall, without further action of the Administrator, be adjusted to reflect such event; provided, however, that any fractional RSUs resulting from any such adjustment shall be eliminated. Adjustments under this paragraph will be made by the Administrator, whose determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive.

(b) Merger, Consolidation and Other Events. If the Company shall be the surviving or resulting corporation in any merger or consolidation and the Common Stock shall be converted into other securities, the RSUs shall pertain to and apply to the securities to which a holder of the number of shares of Common Stock subject to the RSUs would have been entitled. If the stockholders of the Company receive by reason of any distribution in total or partial liquidation or pursuant to any merger of the Company or acquisition of its assets, securities of another entity or other property (including cash), then the rights of the Company under this Agreement shall inure to the benefit of the Company's successor, and this Agreement shall apply to the securities or other property (including cash) to which a holder of the number of shares of Common Stock subject to the RSUs would have been entitled, in the same manner and to the same extent as the RSUs.

8. Non - Guarantee of Employment or Service Relationship. Nothing in the Plan or this Agreement shall alter your at-will or other employment status or other service relationship with the Company, nor be construed as a contract of employment or service relationship between the Company and you, or as a contractual right of you to continue in the employ of, or in a service relationship with, the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any nonvested and forfeitable RSUs or any other adverse effect on your interests under the Plan.

9. Rights as Stockholder. You shall not have any of the rights of a stockholder with respect to any shares of Common Stock that may be issued in settlement of the RSUs until such shares of Common Stock have been issued to you. No adjustment shall be made for dividends, distributions, or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 7(d) of the Plan.

10. The Company's Rights. The existence of the RSUs shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

11. Restrictions on Issuance of Shares. The issuance of shares of Common Stock upon settlement of the RSUs shall be subject to and in compliance with all applicable requirements of federal, state, or foreign law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the RSUs shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the RSUs, the Company may require you to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

12. Notices. All notices and other communications made or given pursuant to this Agreement shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company, or in the case of notices delivered to the Company by you, addressed to the Administrator, care of the Company for the attention of its Secretary at its principal executive office or, in either case, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this award of RSUs by electronic means or to request your consent to participate in the Plan or accept this award of RSUs by electronic means. You hereby consent to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

13. Entire Agreement. This Agreement, together with the relevant Notice and the Plan, contain the entire agreement between the parties with respect to the RSUs granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement with respect to the RSUs granted hereunder shall be void and ineffective for all purposes.

14. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a materially adverse effect on the RSUs as determined in the discretion of the Administrator, except as provided in the Plan or in a written document signed by each of the parties hereto.

15. 409A Savings Clause. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. The preceding provisions shall not be construed as a guarantee by the Company of any particular tax effect of the RSUs and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A of the Code. Notwithstanding the provisions of Section 4 of this Agreement, if you are a "specified employee" (as defined under Section 409A of the Code and determined in good faith by the Administrator) when your Termination Date occurs and your RSUs are to be settled on account of the occurrence of such Termination Date, settlement of your RSUs will be made within 15 days after the end of the six-month period beginning on your Termination Date (or, if earlier, within 15 days after the appointment of the personal representative or executor of your estate following your death), but only if such delay in the issuance of the shares is necessary to avoid the imposition of additional taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Section 409A of the Code and Treasury Regulation Section 1.409A-2(b)(2).

16. No Obligation to Minimize Taxes. The Company has no duty or obligation to minimize the tax consequences to you of this award of RSUs and shall not be liable to you for any adverse tax consequences to you arising in connection with this award. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this award and by signing the Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so.

17. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Inconsistencies between this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan shall govern. A copy of the Plan is available upon request to the Administrator.

18. No Funding. This Agreement constitutes an unfunded and unsecured promise by the Company to issue shares of Common Stock in the future in accordance with its terms. You have the status of a general unsecured creditor of the Company as a result of receiving the grant of RSUs.

19. Effect on Other Employee Benefit Plans. The value of the RSUs subject to this Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

20. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Administrator relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Maryland, without regard to its provisions concerning the applicability of laws of other jurisdictions. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Baltimore, Maryland, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Baltimore, Maryland or any state court in the district which includes Baltimore, Maryland. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

21. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Administrator in good faith in its absolute and uncontrolled discretion, and any such determination or any other determination by the Administrator under or pursuant to this Agreement and any interpretation by the Administrator of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Administrator. You further agree that in the event that the Administrator does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than twenty-four (24) months after the Administrator's decision.

22. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

23. Electronic Delivery of Documents. By your signing the Notice, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the RSUs, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

24. No Future Entitlement. By your signing the Notice, you acknowledge and agree that: (i) the grant of a restricted stock unit award is a one-time benefit which does not create any contractual or other right to receive future grants of restricted stock units, or compensation in lieu of restricted stock units, even if restricted stock units have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants and the terms thereof will be at the sole discretion of the Committee; (iii) the value of the restricted stock units is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of the restricted stock units is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of the restricted stock units ceases upon termination of Service with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided in this Agreement; (vi) the Company does not guarantee any future value of the restricted stock units; and (vii) no claim or entitlement to compensation or damages arises if the restricted stock units decrease or do not increase in value and you irrevocably release the Company from any such claim that does arise.

25. Personal Data. For purposes of the implementation, administration and management of the restricted stock units or the effectuation of any acquisition, equity or debt financing, joint venture, merger, reorganization, consolidation, recapitalization, business combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involving the Company (a "**Corporate Transaction**"), you consent, by execution of the Notice, to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the restricted stock units or the effectuation of a Corporate Transaction and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the restricted stock units or effect a Corporate Transaction. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Secretary. You understand, however, that refusing or withdrawing your consent may affect your ability to accept a restricted stock unit award.

26. Section 162(m). If the Company reasonably anticipates that the delivery of any shares of Common Stock in any year would, when considered with your other compensation, result in the Company's inability to deduct the value of such shares because of the limitation on deductible compensation under Code Section 162(m), then the Company shall defer the delivery of such shares until the first year in which the Company reasonably anticipates that the related deduction will not be limited under Section 162(m) (the "First Non-162(m) Year") in accordance with the such rules and procedures established by the Committee under the Plan and Section 409A and the regulations thereunder.

{Glossary begins on next page}

GLOSSARY

- (a) **“Administrator”** means the Board of Directors of GP Strategies Corporation or such committee or committees appointed by the Board to administer the Plan.
- (b) **“Affiliate”** means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with GP Strategies Corporation (including but not limited to joint ventures, limited liability companies, and partnerships). For this purpose, “control” means ownership of 50% or more of the total combined voting power or value of all classes of stock or interests of the entity.
- (c) **“Agreement”** means this document, as amended from time to time, together with the Plan which is incorporated herein by reference.
- (d) **“Change in Control”** has the meaning set forth in the Plan.
- (e) **“Code”** means the Internal Revenue Code of 1986, as amended, and the Treasury regulations and other guidance promulgated thereunder.
- (f) **“Common Stock”** means the common stock, US\$.01 par value per share, of GP Strategies Corporation.
- (g) **“Company”** means GP Strategies Corporation and its Affiliates, except where the context otherwise requires. For purposes of determining whether a Change in Control has occurred, Company shall mean only GP Strategies Corporation.
- (h) **“Fair Market Value”** has the meaning set forth in the Plan. The Plan generally defines Fair Market Value to mean the closing price per share of Common Stock on the relevant date on the principal exchange or market on which the Common Stock is then listed or admitted to trading or, if no sale is reported for that date, the last preceding Business Day on which a sale was reported.
- (i) **“Grant Date”** means the effective date of a grant of RSUs made to you as set forth in the relevant Notice.
- (j) **“Notice”** means the statement, letter or other written notification provided to you by the Company setting forth the terms of a grant of RSUs made to you.
- (k) **“Plan”** means the GP Strategies Corporation 2011 Stock Incentive Plan, as amended from time to time.
- (l) **“Retirement”** means your retirement from active employment with the Company or any Affiliate (i) on or after attaining age 55, (ii) after completing at least 10 years of continuous Service and (iii) giving notice of termination of employment as required by any agreement between you and the Company and continuing to perform your obligations to the Company through the date of termination.
- (m) **“RSU”** means the Company’s commitment to issue one share of Common Stock at a future date, subject to the terms of the Agreement and the Plan.
- (n) **“Service”** means your employment, service as a non-executive director, or other service relationship with the Company and its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger, or other corporate transaction, the trade, business, or entity with which you are employed or otherwise have a service relationship is not GP Strategies Corporation or its successor or an Affiliate of GP Strategies Corporation or its successor.
- (o) **“Total and Permanent Disability”** means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months. The Administrator may require such proof of Total and Permanent Disability as the Administrator in its sole discretion deems

appropriate and the Administrator's good faith determination as to whether you are totally and permanently disabled will be final and binding on all parties concerned.

(p) **"You"** or **"Your"** means the recipient of the RSUs as reflected on the applicable Notice. Whenever the word "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Administrator, to apply to the estate, personal representative, or beneficiary to whom the RSUs may be transferred by will or by the laws of descent and distribution, the words "you" and "your" shall be deemed to include such person.

{End of Agreement}

GP STRATEGIES CORPORATION

Restricted Stock Units Notice

under the

GP Strategies Corporation

2011 Stock Incentive Plan

(Time-based Grant)

Name of Grantee: _____

This Notice evidences the award of restricted stock units (each, an "**RSU**," and collectively, the "**RSUs**") of GP Strategies Corporation, a Delaware corporation (the "**Company**"), that have been granted to you pursuant to the GP Strategies Corporation 2011 Stock Incentive Plan (the "**Plan**") and conditioned upon your agreement to the terms of the attached Restricted Stock Units Agreement (the "**Agreement**"). This Notice constitutes part of and is subject to the terms and provisions of the Agreement and the Plan, which are incorporated by reference herein. Each RSU is equivalent in value to one share of the Company's Common Stock and represents the Company's commitment to issue one share of the Company's Common Stock at a future date, subject to the terms of the Agreement and the Plan. The RSUs are credited to a separate account maintained for you on the books and records of the Company (the "**Account**"). All amounts credited to the Account will continue for all purposes to be part of the general assets of the Company.

Grant Date: _____

Number of RSUs: _____

Vesting Schedule: All of the RSUs are nonvested and forfeitable as of the Grant Date and shall vest, if at all, on [DATE] (the "**Vesting Date**"), so long as your Service (as defined in the Agreement) is continuous from the Grant Date through the Vesting Date.

To the extent not already vested or previously forfeited, if your Service ceases due to death or Total and Permanent Disability, your RSUs will become fully vested immediately as if your Service had been continuous through the Vesting Date.

To the extent not already vested or previously forfeited, if your Service ceases due to Retirement, your RSUs will fully vest on the Vesting Date provided that you do not breach the terms of this grant or any other agreement between you and the Company.

To the extent not already vested or previously forfeited, if your Service ceases due to a termination by the Company other than for cause (or a reason listed above) within 12 months after a Change of Control occurs, your RSUs will become fully vested immediately as of the date you receive notice of such termination.

Forfeiture of RSUs: To the extent not previously forfeited, all of your then-unvested RSUs will be forfeited to the Company, without payment of any consideration therefor, immediately and automatically upon the earlier of the date on which your Service with the Company ceases for any reason other than any of the events listed under Vesting Schedule above.

I acknowledge that I have carefully read the Agreement and the prospectus for the Plan. I agree to be bound by all of the provisions set forth in those documents. I also consent to electronic delivery of all notices or other information with respect to the RSUs or the Company.

Signature of Grantee_____
Date

GP Strategies Corporation
Restricted Stock Units Agreement
under the
GP Strategies Corporation
2011 Stock Incentive Plan

1. Terminology. Unless otherwise provided in this Agreement, capitalized terms used herein are defined in the Glossary at the end of this Agreement.

2. Vesting. All of the RSUs are nonvested and forfeitable as of the Grant Date. So long as your Service is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur, the RSUs will become vested and nonforfeitable in accordance with the vesting schedule set forth in the Notice. Except for the circumstances, if any, described in the Notice, none of the RSUs will become vested and nonforfeitable after your Service ceases.

3. Termination of Employment or Service. Unless otherwise provided in the Notice, if your Service with the Company ceases for any reason, all RSUs that are not then vested and nonforfeitable will be forfeited to the Company immediately and automatically upon such cessation without payment of any consideration therefor and you will have no further right, title or interest in or to such RSUs or the underlying shares of Common Stock.

4. Restrictions on Transfer. Neither this Agreement nor any of the RSUs may be assigned, transferred, pledged, hypothecated or disposed of in any way, whether by operation of law or otherwise, and the RSUs shall not be subject to execution, attachment or similar process. All rights with respect to this Agreement and the RSUs shall be exercisable during your lifetime only by you or your guardian or legal representative. Notwithstanding the foregoing, the RSUs may be transferred upon your death by last will and testament or under the laws of descent and distribution.

5. Settlement of RSUs.

(a) Manner of Settlement. You are not required to make any monetary payment (other than applicable tax withholding, if required) as a condition to settlement of the RSUs. The Company will issue to you, in settlement of your RSUs and subject to the provisions of Section 6 below, the number of whole shares of Common Stock that equals the number of whole RSUs that become vested, and such vested RSUs will terminate and cease to be outstanding upon such issuance of the shares. Upon issuance of such shares, the Company will determine the form of delivery (e.g., a stock certificate or electronic entry evidencing such shares) and may deliver such shares on your behalf electronically to the Company's designated stock plan administrator or such other broker-dealer as the Company may choose at its sole discretion, within reason.

(b) Timing of Settlement. Your RSUs will be settled by the Company, via the issuance of Common Stock as described herein, promptly following the date that the RSUs become vested and nonforfeitable, and in any event no later than March 15 of the calendar year following the calendar year, in which the RSUs become vested and nonforfeitable. However, if a scheduled issuance date falls on a Saturday, Sunday or federal holiday, such issuance date shall instead fall on the next following day that the principal executive offices of the Company are open for business. Notwithstanding the foregoing, in the event that (i) you are subject to the Company's policy permitting officers and directors to sell shares only during certain "window" periods in effect from time to time or you are otherwise prohibited from selling shares of the Company's Common Stock in the public market and any shares covered by your RSUs are scheduled to be issued on a day (the "**Original Distribution Date**") that does not occur during an open "window period" applicable to you, as determined by the Company in accordance with such policy, or does not occur on a date when you are otherwise permitted to sell shares of the Company's Common Stock in the open market, and (ii) the Company elects not to satisfy its tax withholding obligations by withholding shares from your distribution, then such shares shall not be issued and delivered on such Original Distribution Date and shall instead be issued and delivered on the first business day of the next occurring open "window period" applicable to you pursuant to such policy (regardless of whether you are still providing continuous services at such time) or the next business day when you are not prohibited from selling shares of the Company's Common Stock in the open market, but in no event later than the fifteenth day of the third calendar month of the calendar year following the calendar year in which the Original Distribution Date

occurs. In all cases, the issuance and delivery of shares under this Agreement is intended to comply with Treasury Regulation 1.409A-1(b)(4) and shall be construed and administered in such a manner.

6. Tax Withholding. On or before the time you receive a distribution of the shares subject to your RSUs, or at any time thereafter as requested by the Company, you hereby authorize any required withholding from the Common Stock issuable to you and/or otherwise agree to make adequate provision in cash for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate which arise in connection with your RSUs (the "**Withholding Taxes**"). Additionally, the Company may, in its sole discretion, satisfy all or any portion of the Withholding Taxes obligation relating to your RSUs by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company; (ii) causing you to tender a cash payment; (iii) permitting you to enter into a "same day sale" commitment with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "**FINRA Dealer**") whereby you irrevocably elect to sell a portion of the shares to be delivered under the Agreement to satisfy the Withholding Taxes and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Withholding Taxes directly to the Company; or (iv) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the RSUs with a Fair Market Value (measured as of the date shares of Common Stock are issued to you pursuant to Section 5) equal to the amount of such Withholding Taxes; provided, however, that the number of such shares of Common Stock so withheld shall not exceed the amount necessary to satisfy the Company's required tax withholding obligations using the minimum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income. Unless the tax withholding obligations of the Company and/or any Affiliate are satisfied, the Company shall have no obligation to deliver to you any Common Stock. In the event the Company's obligation to withhold arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Company's withholding obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

7. Adjustments for Corporate Transactions and Other Events.

(a) Stock Dividend, Stock Split and Reverse Stock Split. Upon a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, the number of outstanding RSUs shall, without further action of the Administrator, be adjusted to reflect such event; provided, however, that any fractional RSUs resulting from any such adjustment shall be eliminated. Adjustments under this paragraph will be made by the Administrator, whose determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive.

(b) Merger, Consolidation and Other Events. If the Company shall be the surviving or resulting corporation in any merger or consolidation and the Common Stock shall be converted into other securities, the RSUs shall pertain to and apply to the securities to which a holder of the number of shares of Common Stock subject to the RSUs would have been entitled. If the stockholders of the Company receive by reason of any distribution in total or partial liquidation or pursuant to any merger of the Company or acquisition of its assets, securities of another entity or other property (including cash), then the rights of the Company under this Agreement shall inure to the benefit of the Company's successor, and this Agreement shall apply to the securities or other property (including cash) to which a holder of the number of shares of Common Stock subject to the RSUs would have been entitled, in the same manner and to the same extent as the RSUs.

8. Non - Guarantee of Employment or Service Relationship. Nothing in the Plan or this Agreement shall alter your at-will or other employment status or other service relationship with the Company, nor be construed as a contract of employment or service relationship between the Company and you, or as a contractual right of you to continue in the employ of, or in a service relationship with, the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any nonvested and forfeitable RSUs or any other adverse effect on your interests under the Plan.

9. Rights as Stockholder. You shall not have any of the rights of a stockholder with respect to any shares of Common Stock that may be issued in settlement of the RSUs until such shares of Common Stock have been issued to you. No adjustment shall be made for dividends, distributions, or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 7(d) of the Plan.

10. The Company's Rights. The existence of the RSUs shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or

other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

11. Restrictions on Issuance of Shares. The issuance of shares of Common Stock upon settlement of the RSUs shall be subject to and in compliance with all applicable requirements of federal, state, or foreign law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the RSUs shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the RSUs, the Company may require you to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

12. Notices. All notices and other communications made or given pursuant to this Agreement shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company, or in the case of notices delivered to the Company by you, addressed to the Administrator, care of the Company for the attention of its Secretary at its principal executive office or, in either case, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this award of RSUs by electronic means or to request your consent to participate in the Plan or accept this award of RSUs by electronic means. You hereby consent to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

13. Entire Agreement. This Agreement, together with the relevant Notice and the Plan, contain the entire agreement between the parties with respect to the RSUs granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement with respect to the RSUs granted hereunder shall be void and ineffective for all purposes.

14. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a materially adverse effect on the RSUs as determined in the discretion of the Administrator, except as provided in the Plan or in a written document signed by each of the parties hereto.

15. 409A Savings Clause. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. The preceding provisions shall not be construed as a guarantee by the Company of any particular tax effect of the RSUs and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A of the Code. Notwithstanding the provisions of Section 4 of this Agreement, if you are a "specified employee" (as defined under Section 409A of the Code and determined in good faith by the Administrator) when your Termination Date occurs and your RSUs are to be settled on account of the occurrence of such Termination Date, settlement of your RSUs will be made within 15 days after the end of the six-month period beginning on your Termination Date (or, if earlier, within 15 days after the appointment of the personal representative or executor of your estate following your death), but only if such delay in the issuance of the shares is necessary to avoid the imposition of additional taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Section 409A of the Code and Treasury Regulation Section 1.409A-2(b)(2).

16. No Obligation to Minimize Taxes. The Company has no duty or obligation to minimize the tax consequences to you of this award of RSUs and shall not be liable to you for any adverse tax consequences to you arising in connection with this award. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this award and by signing the Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so.

17. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Inconsistencies between this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan shall govern. A copy of the Plan is available upon request to the Administrator.

18. No Funding. This Agreement constitutes an unfunded and unsecured promise by the Company to issue shares of Common Stock in the future in accordance with its terms. You have the status of a general unsecured creditor of the Company as a result of receiving the grant of RSUs.

19. Effect on Other Employee Benefit Plans. The value of the RSUs subject to this Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

20. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Administrator relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Maryland, without regard to its provisions concerning the applicability of laws of other jurisdictions. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Baltimore, Maryland, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Baltimore, Maryland or any state court in the district which includes Baltimore, Maryland. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

21. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Administrator in good faith in its absolute and uncontrolled discretion, and any such determination or any other determination by the Administrator under or pursuant to this Agreement and any interpretation by the Administrator of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Administrator. You further agree that in the event that the Administrator does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than twenty-four (24) months after the Administrator's decision.

22. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

23. Electronic Delivery of Documents. By your signing the Notice, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the RSUs, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

24. No Future Entitlement. By your signing the Notice, you acknowledge and agree that: (i) the grant of a restricted stock unit award is a one-time benefit which does not create any contractual or other right to receive future grants of restricted stock units, or compensation in lieu of restricted stock units, even if restricted stock units have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants and the terms thereof will be at the sole discretion of the Committee; (iii) the value of the restricted stock units is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of the restricted stock units is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of the restricted stock units ceases upon termination of Service with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided in this Agreement; (vi) the Company does not guarantee any future value of the restricted stock units; and (vii) no claim or entitlement to compensation or damages arises if the restricted stock units decrease or do not increase in value and you irrevocably release the Company from any such claim that does arise.

25. Personal Data. For purposes of the implementation, administration and management of the restricted stock units or the effectuation of any acquisition, equity or debt financing, joint venture, merger, reorganization, consolidation, recapitalization, business combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involving the Company (a "**Corporate Transaction**"), you consent, by execution of the Notice, to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the restricted stock units or the effectuation of a Corporate Transaction and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the restricted stock units or effect a Corporate Transaction. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Secretary. You understand, however, that refusing or withdrawing your consent may affect your ability to accept a restricted stock unit award.

26. Section 162(m). If the Company reasonably anticipates that the delivery of any shares of Common Stock in any year would, when considered with your other compensation, result in the Company's inability to deduct the value of such shares because of the limitation on deductible compensation under Code Section 162(m), then the Company shall defer the delivery of such shares until the first year in which the Company reasonably anticipates that the related deduction will not be limited under Section 162(m) (the "First Non-162(m) Year") in accordance with the such rules and procedures established by the Committee under the Plan and Section 409A and the regulations thereunder.

{Glossary begins on next page}

GLOSSARY

- (a) **“Administrator”** means the Board of Directors of GP Strategies Corporation or such committee or committees appointed by the Board to administer the Plan.
- (b) **“Affiliate”** means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with GP Strategies Corporation (including but not limited to joint ventures, limited liability companies, and partnerships). For this purpose, “control” means ownership of 50% or more of the total combined voting power or value of all classes of stock or interests of the entity.
- (c) **“Agreement”** means this document, as amended from time to time, together with the Plan which is incorporated herein by reference.
- (d) **“Change in Control”** has the meaning set forth in the Plan.
- (e) **“Code”** means the Internal Revenue Code of 1986, as amended, and the Treasury regulations and other guidance promulgated thereunder.
- (f) **“Common Stock”** means the common stock, US\$.01 par value per share, of GP Strategies Corporation.
- (g) **“Company”** means GP Strategies Corporation and its Affiliates, except where the context otherwise requires. For purposes of determining whether a Change in Control has occurred, Company shall mean only GP Strategies Corporation.
- (h) **“Fair Market Value”** has the meaning set forth in the Plan. The Plan generally defines Fair Market Value to mean the closing price per share of Common Stock on the relevant date on the principal exchange or market on which the Common Stock is then listed or admitted to trading or, if no sale is reported for that date, the last preceding Business Day on which a sale was reported.
- (i) **“Grant Date”** means the effective date of a grant of RSUs made to you as set forth in the relevant Notice.
- (j) **“Notice”** means the statement, letter or other written notification provided to you by the Company setting forth the terms of a grant of RSUs made to you.
- (k) **“Plan”** means the GP Strategies Corporation 2011 Stock Incentive Plan, as amended from time to time.
- (l) **“Retirement”** means your retirement from active employment with the Company or any Affiliate (i) on or after attaining age 55, (ii) after completing at least 10 years of continuous Service, and (iii) giving notice of termination of employment as required by any agreement between you and the Company and continuing to perform your obligations to the Company through the date of termination.
- (m) **“RSU”** means the Company’s commitment to issue one share of Common Stock at a future date, subject to the terms of the Agreement and the Plan.
- (n) **“Service”** means your employment, service as a non-executive director, or other service relationship with the Company and its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger, or other corporate transaction, the trade, business, or entity with which you are employed or otherwise have a service relationship is not GP Strategies Corporation or its successor or an Affiliate of GP Strategies Corporation or its successor.
- (o) **“Total and Permanent Disability”** means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months. The Administrator may require such proof of Total and Permanent Disability as the Administrator in its sole discretion deems

appropriate and the Administrator's good faith determination as to whether you are totally and permanently disabled will be final and binding on all parties concerned.

(p) **"You"** or **"Your"** means the recipient of the RSUs as reflected on the applicable Notice. Whenever the word "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Administrator, to apply to the estate, personal representative, or beneficiary to whom the RSUs may be transferred by will or by the laws of descent and distribution, the words "you" and "your" shall be deemed to include such person.

{End of Agreement}

Cash Bonus Plan

This document constitutes a written description of the cash bonus plan adopted by the Board of Directors of GP Strategies Corporation on June 30, 2010 and revised on March 30, 2015 to be effective for calendar year 2015.

This bonus plan has 3 levels and covers the executive team, business and general and administrative unit leaders, and all other employees of GP Strategies Corporation. Compensation can be comprised of cash and stock compensation. The information below outlines the cash portion of the bonus plan. This cash bonus plan may be amended, supplemented or terminated by the Company at any time by action of the Compensation Committee of the Board of Directors and the Chief Executive Officer (“CEO”).

Executive Team Cash Bonus Plan

The members of the executive team will be eligible to share in a cash bonus pool. The total size of the executive team cash bonus pool is based on the achievement of corporate level objectives and each executive team member’s percentage of the bonus pool will be determined based on the achievement of a combination of corporate level, group level and individual objectives, all as described below.

The amount of the executive team cash bonus pool is based on the achievement of corporate level objectives. As a result, the executive team, which includes the Chief Financial Officer, General Counsel, and Executive Vice Presidents and Senior Vice Presidents responsible for managing an operating group within the Company, will share the common goal of working toward the achievement of the established corporate level objectives. Each calendar year, the corporate objectives for determining the amount of the executive team cash bonus pool will be recommended by the CEO and approved by the Board of Directors. Any executive covered by a bonus determined under a separate agreement shall not be eligible to receive a bonus under this plan. The CEO and President are not eligible to participate in this plan as their bonuses are determined under their individual employment agreements.

The current corporate objectives that would result in the maximum possible executive team bonus pool are 8% revenue growth over the prior year’s results and 15% Pretax Income Growth over the prior year’s results.

Step 1 - Establishing the Executive Team Pool

The executive team bonus pool will be calculated as a percentage of the total of the executive team’s base salaries. The pool will cap at 50% of the total of the executive team’s base salaries and will be calculated based on the following current objectives (results will be interpolated):

Corporate Revenue growth of 0% = 0%

Corporate Revenue growth of 8% = 25%

Corporate Pre Tax Income growth of 0% = 0%

Corporate Pre Tax Income growth of 15% = 25%

The total of the Corporate Revenue growth score and Corporate Pre Tax Income growth score will be added together and multiplied by the total of the Executive Team’s base salaries to determine the pool available for distribution.

Step 2 - Distributing the Pool to Executives

After the total executive team cash bonus pool is established, each executive team member's individual share of the pool will be determined. For this purpose, each executive team member will be given a score, up to 100 points, based on such executive team member's performance. Each executive team member's score will be determined based on achievement of a combination of corporate level, group level and individual level objectives. After all of the executive team members' scores have been determined, each of their proportionate share of the executive team cash bonus pool will be determined by dividing (1) each executive team member's score by (2) the sum of all executive team members' scores. Each executive team member's cash bonus is then determined by multiplying that percentage by the amount of the executive team cash bonus pool.

The group level or equivalent objectives, as applicable, for executive team members will be established by the CEO and President and will closely align with corporate objectives. For executive team members who do not manage an operating group, "group" objectives will be established for the executive's area of responsibility.

Performance objectives are set and documented at the beginning of the year for each executive team member and will include corporate objectives, group objectives, and specific strategic objectives established for each executive team member.

Except for the Chief Financial Officer and any executive who does not manage an operating group, executive team individual scores will be calculated as follows (results will be interpolated):

Corporate Revenue growth of 0% = 0 points
Corporate Revenue growth of 8% = 15 points

Plus:

Corporate Pre Tax Income growth of 0% = 0 points
Corporate Pre Tax Income growth of 15% = 15 points

Plus:

Group Revenue growth of 0% = 0 points
Group Revenue growth of 10% = 25 points

Plus:

Group Net Income from Operations (NIFO) growth of 0% = 0 points
Group NIFO growth of 18% = 25 points

Plus:

Achievement of individual strategic objectives to be set individually by the CEO or President for each executive team member to equal a total of 20 possible points

Equals:

Total potential score of 100 points.

The Chief Financial Officer's individual scores will be calculated as follows (results will be interpolated):

Corporate Revenue growth of 0% = 0 points
Corporate Revenue growth of 8% = 25 points

Plus:

Corporate Pre Tax Income growth of 0% = 0 points

Corporate Pre Tax Income growth of 15% = 25 points

Plus:

G&A (excluding cost center 010) expense as a % of revenue increases over prior year by .4% or ≤ 0 points

G&A (excluding cost center 010) expense as a % of revenue increases over prior year by .2% or ≤ 7.5 points

G&A (excluding cost center 010) expense as a % of revenue decreases over prior year by 0% or ≥ 15 points

G&A (excluding cost center 010) expense as a % of revenue decreases over prior year by 0.2% or ≥ 22.5 points

G&A (excluding cost center 010) expense as a % of revenue decreases over prior year by 0.4% or ≥ 30 points

Plus:

Achievement of individual strategic objectives to be set individually by the CEO or President for each executive team member to equal a total of 20 possible points.

Equals:

Total potential score of 100 points.

The amount of each executive team member's cash bonus will be equal to the executive's individual points earned as a percentage of the total points earned by all executives multiplied by the available executive team cash bonus pool.

For any acquisitions that occurred during the year or that were not included in the full prior year results, for purposes of calculating financial achievements based on the corporate and/or group objectives, only the amount of revenue and/or income that is above budgeted revenue and/or income will be included in the calculations.

Executive Bonus Payments if Corporate Objectives are not Achieved

If the total of corporate revenue growth and pre-tax income scores is 10 points or less for any given year, and an individual executive team member earns a total of 50 points or more on such executive team member's group and individual strategic objectives, such executive team member may earn a bonus equal to 25% of such executive team member's earned score divided by 100 and then multiplied by such executive team member's base salary. For example: If the corporate score was 0% and the individual executive earned 60 points, the executive can earn a bonus equivalent to 15% of salary.

Business and G&A Unit Leader Bonus Plan

For purposes of this plan, business unit ("BU") leaders are individuals who manage business units within each operating group and General & Administrative ("G&A") Unit Leaders are individuals who run key functional areas, each as determined by the executive responsible for the group or G&A function.

BU Leader Plan

BU Leaders can earn a maximum bonus of 15% of base salary, based on achievement of a combination of group level, BU level and individual specific objectives. Each BU Leader's performance against those objectives will result in a score on a 100 point scale.

The score will be calculated as follows (results will be interpolated):

Group Revenue growth of 0% = 0 points

Group Revenue growth of 10% = 15 points

Plus:

Group NIFO growth of 0% = 0 points

Group NIFO growth of 18% = 15 points

Plus:

BU Revenue growth of 0% = 0 points

BU Revenue growth of 10% = 25 points

Plus:

BU NIFO growth of 0% = 0 points

BU NIFO growth of 18% = 25 points

Plus:

Achievement of established Individual Strategic Objectives to be set individually for each BU Leader for a total of 20 possible points.

Equals:

Total potential score of 100 points.

A BU Leader must score at least 5 points for BU revenue growth and 5 points for BU NIFO growth to earn a bonus. In addition, the established strategic objectives score may not exceed the BU specific criteria score; credit will only be given in an amount equal to the BU specific criteria score.

For purposes of calculation, the business unit NIFO must be positive and greater than \$50,000 for the year to qualify for any NIFO growth credit for the current year. In addition, year over year growth will be calculated starting from \$10,000 for any business unit that had negative income in the prior year.

Each BU Leader's bonus amount is then determined by dividing such BU Leader's score by 100, then multiplying that result by 15% and then multiplying that result by the BU Leader's base salary.

Directors who are a level below BU Leaders are not eligible for this plan and would participate in the BU General bonus pool.

G&A Leader Plan

G&A Leaders can earn a maximum bonus of 15% of base salary, based on achievement of a combination of corporate level, AU level, US G&A (excluding cost center 010) level and individual specific objectives. Each G&A Leader's performance against those objectives will result in a score on a 100 point scale.

The score will be calculated as follows (results will be interpolated):

Corporate Revenue growth of 0% = 0 points
Corporate Revenue growth of 2% = 5 points
Corporate Revenue growth of 4% = 10 points
Corporate Revenue growth of 6% = 15 points
Corporate Revenue growth of 8% = 20 points

Plus:

Corporate Pre Tax Income growth of 0% = 0 points
Corporate Pre Tax Income growth of 5% = 6.67 points
Corporate Pre Tax Income growth of 10% = 13.34 points
Corporate Pre Tax Income growth of 15% = 20 points

Plus:

AU expense increases over prior year by 6% or \leq 4 points
AU expense increases over prior year by 5% or \leq 8 points
AU expense increases over prior year by 4% or \leq 12 points
AU expense increases over prior year by 3% or \leq 16 points
AU expense increases over prior year by 2% or \leq 20 points
(Calculation to be modified for G&A VP's or Directors that do not have P&L management responsibility.)

Plus:

G&A (excluding cost center 010) expense as a % of revenue increases over prior year by .4% or \leq 0 points
G&A (excluding cost center 010) expense as a % of revenue increases over prior year by .2% or \leq 5 points
G&A (excluding cost center 010) expense as a % of revenue decreases over prior year by 0% or \geq 10 points
G&A (excluding cost center 010) expense as a % of revenue decreases over prior year by 0.2% or \geq 15 points
G&A (excluding cost center 010) expense as a % of revenue decreases over prior year by 0.4% or \geq 20 points

Plus:

Achievement of one or more established Strategic Objectives to be set individually for each executive team member = 20 points

Equals:

Total potential score of 100 points.

For purposes of the calculation, incremental G&A costs that are directly related to acquisitions, litigation and other extraordinary items will be excluded from costs in the calculation. In addition, if the established strategic objectives score is greater than the G&A specific criteria score, credit will only be given in amount equal to the G&A specific criteria score.

Each G&A Leader's bonus amount is then determined by dividing such G&A Leader's score by 100, then multiplying that quotient by 15% and then multiplying that result by the G&A Leader's base salary.

All BU and G&A Leader bonus plans, including the established strategic objectives, must be approved by the President prior to communication to each BU and G&A Leader. All final bonus calculations must also be approved by the President prior to communication or distribution of any payments.

Business Unit and G&A General Bonus Pools

BU and G&A general bonus pools can be earned and available for distribution to employees within each business unit or G&A organization not covered in Executive Team or BU Leader bonus plans.

BU General Bonus Pool

The BU General Bonus Pool is based on the following (results will be interpolated):

BU Revenue growth of 0% = 0% of NIFO

BU Revenue growth of 10% = 2.0% of NIFO

Plus:

BU NIFO growth of 0% = 0% of NIFO

BU NIFO growth of 18% = 2.0% of NIFO

For purposes of calculation, the business unit results, business unit NIFO must be \$50,000 or greater to qualify for an NIFO growth score for the current year, and year over year growth will be calculated starting from \$10,000 for any business unit that had negative income in the prior year. In addition, both revenue and NIFO growth must be a minimum of 5% to qualify for the general bonus pool.

The BU bonus pool will be calculated based on the score earned multiplied by the amount of current year NIFO.

Each BU Leader will propose a distribution list of recipients for the general pool, which must be approved by the executive officer responsible for the Group and the President prior to any communication or distribution to the employees.

G&A General Bonus Pool

For employees in the G&A organization, the general bonus pool will be calculated as follows:

US G&A (excluding cost center 010) expense as a % of revenue increases over prior year by $\leq .4\%$ = 0%

US G&A (excluding cost center 010) expense as a % of revenue increases over prior year by $\leq .2\%$ = .375%

US G&A (excluding cost center 010) expense as a % of revenue decreases over prior year by $\geq 0\%$ = .75%

US G&A (excluding cost center 010) expense as a % of revenue decreases over prior year by $\geq .2\%$ = 1.125%

US G&A (excluding cost center 010) expense as a % of revenue decreases over prior year by $\geq .4\%$ = 1.5%

The G&A bonus pool will be calculated based on the score earned multiplied by the total US G&A salaries, excluding those in the Executive Team and G&A Leader pools.

Certain General and Administrative Provisions

Bonus payments will be made after approval by the CEO and President and after completion of the year-end audit, subject to the further approval of the Compensation Committee of the Board of Directors as applicable. The total bonus pool for the company will be capped at 10% of EBITDA for the year with respect to which the bonuses are payable. Any amounts earned in excess of 10% of EBITDA will result in a prorated reduction in the amounts earned in the Business Unit General Bonus Pool. The proposed distribution list of recipients must be approved by the CEO and President prior to any communication or distribution.

Neither the establishment of this Plan nor the provision for or payment of any amounts hereunder nor any action of the Company, the Board or any Committee of the Board in respect of this Plan shall be held or construed to confer upon any person any legal right to receive any benefit under this Plan. Nothing contained in this Plan (or in any other documents under this Plan) shall confer upon any person any right to continue in the employ of the Company or any subsidiary of the Company, constitute any contract or agreement of employment, or interfere in any way with the right of the Company to change a person's compensation or other benefits, or to terminate his or her employment, with or without cause.

Bonuses payable under this Plan shall be payable from the general assets of the Company, and no special or separate reserve, fund or deposit shall be made to assure payment of such amounts. No person shall have any right, title or interest in any fund or in any specific asset of the Company by reason of being eligible to receive a bonus under this Plan. Neither the provisions of this Plan (nor of any related documents), nor the creation or adoption of this Plan, nor any action taken pursuant to the provisions of this Plan shall create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company and any person. To the extent that a person acquires a right to receive payment under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

No person eligible under any other plan or agreement to receive bonuses, commissions or other incentive compensation based on the financial performance of the Company or any subsidiary of the Company shall be eligible to receive a bonus or other compensation under this Plan without the express approval of the Board.

Any decision made or action taken by, or inaction of, the Company, the Board or any Committee of the Board arising out of or in connection with the creation, amendment, construction, administration, interpretation and effect of this Plan that is within its authority hereunder or applicable law shall be within the absolute discretion of such entity and shall be conclusive and binding upon all persons.

Nothing in this Plan shall limit or be deemed to limit the authority of the Board or any Committee of the Board to authorize any other compensation under any other plan or authority.

CERTIFICATION

I, Scott N. Greenberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of GP Strategies Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2015

/s/ Scott N. Greenberg

Scott N. Greenberg

Chief Executive Officer

CERTIFICATION

I, Sharon Esposito-Mayer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of GP Strategies Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2015

/s/ Sharon Esposito-Mayer

Sharon Esposito-Mayer

Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of GP Strategies Corporation (the “Company”) for the quarter ended March 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer’s knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2015

/s/ Scott N. Greenberg

Scott N. Greenberg
Chief Executive Officer

/s/ Sharon Esposito-Mayer

Sharon Esposito-Mayer
Executive Vice President and Chief Financial Officer