

CODE OF BUSINESS CONDUCT AND ETHICS POLICY

INTRODUCTION

At Electrovaya Inc., we value our good name and apply the highest standards of integrity to everything we do. New employees are made aware of the Code of Business Conduct and Ethics Policy (the "Code") by including the Code in their orientation package for their signature.

Why Ethics Matter to You and the Company

Operating in an ethical manner is essential to our success. Our customers and business partners rely on us to be honest and fair. We must behave ethically in order to maintain our customers' and our business partners' confidence and ultimately to keep their business. It is in our best interest to set high standards for ourselves at all times.

The Purpose of This Code

This Code of Business Conduct and Ethics Policy is for all employees, officers, directors, representatives and other associates (collectively, "Representatives") of Electrovaya Inc. and its subsidiaries (collectively, the "Company"). The Code provides standards for ethical behaviour when dealing with other people—from employees, officers and directors to customers, suppliers, government authorities and the public. It also aims to demonstrate to our stakeholders and the public the Company's commitment to conduct itself ethically.

What Happens if Someone Violates the Code?

This Code and its requirements are taken seriously by the Company. Any violation will be dealt with quickly. To protect the Company's good name, the Company may discipline and/or terminate its relationship or affiliation with any Representative who breaches this Code or related policies. In the case of members of the Board of Directors, the Company may require resignation from their position. If violating the Code also violates the law, you may be subject to prosecution. We believe that our Representatives should avoid ethical, legal, financial and other conflicts of interest and ensure that their activities and interests do not conflict with their obligations to the Company. While a code of conduct provides general rules, it cannot cover every situation. Ethical behavior often comes down to personal decisions.

To help you make ethical choices, ask yourself the following questions:

- Is this legal?
- Would I want other people to know I did it?
- How would I feel if I read about it in the newspaper?
- How will I feel about myself if I do it?
- What would I tell my child or a close friend to do in a similar situation?

Where to Go for Additional Help

This Code does not provide a summary of all laws, rules and regulations applicable to the Company and its Representatives. If you are unsure as to whether a course of action is appropriate, you should consult with the Chief Financial Officer of the Company. If you become aware of a conflict or potential conflict, you should bring it to the attention of your immediate supervisor, your supervisor's manager or consult the procedures described in this Code. The Company is committed to this Code and the Standard of Conduct in the Workplace contained herein, and will aggressively deal with any contravention of it. If you are uncertain you should always ask first, and then act accordingly. This policy is available on-line via the Company's website as well as upon request to Human Resources.

Annual Confirmation

Every Representative of the Company shall review this Code each year and shall confirm in writing each year that they understand and have complied with the Code.

CODE OF BUSINESS CONDUCT AND ETHICS POLICY

COMPLIANCE WITH LAWS

You should respect and comply with all of the laws, rules and regulations of Canada and other countries, and the provinces, states, counties, cities and other jurisdictions in which the Company conducts its business or the laws, rules and regulations of which are applicable to the Company. Such legal compliance should include, without limitation, compliance with the "insider trading" prohibitions applicable to the Company and its Representatives. Generally, anyone who has access to or knowledge of confidential or non-public information from or about the Company is not permitted to buy, sell or otherwise trade in the Company's securities, whether or not they are using or relying upon that information, until that information has been widely disseminated to the public. This restriction extends to sharing or tipping others about such information, especially since the individuals receiving such information might utilize such information to trade in the Company's securities. In addition, the Company has implemented trading restrictions to reduce the risk, or appearance, of insider trading. You should review the Company's Policy Concerning Insider Trading & Reporting, or speak to the Chief Financial Officer of the Company if you have questions regarding the applicability of such insider trading prohibitions.

CONFLICTS OF INTEREST

Conflicts of interest damage the trust between you, the public and the Company. You should be scrupulous in avoiding a conflict of interest with regard to the Company's interests. A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company. A conflict situation can arise when a Representative takes actions or has interests that may make it difficult to perform his or her Company responsibilities effectively. Conflicts of interest may also arise when a

representative, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company, whether received from the Company or a third party. Loans to, or guarantees of obligations of, Representatives and their respective family members may create conflicts of interest. Conflicts of interest may take various forms, some of which are set out below. Not all conflicts of interest are set out here. If you need advice, speak to your immediate supervisor, your supervisor's manager, the Vice President responsible for your department or the Chief Financial Officer. Managers who receive such queries are expected to escalate the query to the Vice President responsible for your department or the Chief Financial Officer for review and determination regarding further action required, if any. You must report any personal conflicts of interest to the Company. You must disclose any possible conflicts in a timely fashion in order that they may be assessed. Only through open disclosure may potential or active conflicts of interest be identified and managed appropriately.

Corporate law also sets out a special regime for conflicts of interest involving directors and officers of the Company. All directors and officers of the Company should be aware of and comply with their legal duties regarding conflicts of interest. In the case of any disagreement in terms of responsibilities under corporate law and under this Code, corporate law takes precedence.

CORPORATE OPPORTUNITY

You should not use your position with the Company to secure business for a company you own in whole or in part or to provide family members with business or employment opportunities. You may not (a) take for yourself personally opportunities that properly belong to the Company or are discovered through the use of corporate property, information or position; (b) use corporate property, information or position for personal gain; and (c) compete with the Company. You owe a duty to the Company to advance the Company's legitimate interests when the opportunity to do so arises.

CONFIDENTIALITY

You must maintain the confidentiality of confidential information entrusted to you by the Company or its suppliers or customers, except when disclosure is authorized by the Chief Financial Officer or required by laws, regulations or legal proceedings. Whenever feasible, you should consult the Chief Financial Officer if you believe you have a legal obligation to disclose confidential information. Confidential information includes all non-public information that might be of use to competitors of the Company or harmful to the Company or its suppliers or customers if disclosed. The Company's Policy Concerning Insider Trading & Reporting sets out further information regarding the Company's confidential information. If you have access to confidential information as a result of your job, you must use every precaution to keep it confidential. It is important to use discretion when discussing Company business in public places such as

restaurants and airplanes, or when using public or cellular phones, the Internet and fax machines. You must not use the confidential information of the Company for personal benefit. You have a duty to protect confidential information even after you leave your employment with the Company.

FAIR DEALING

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. You should endeavour to deal fairly with the Company's customers, suppliers, competitors and Representatives. None should take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

PROTECTION AND PROPER USE OF COMPANY ASSETS

Company property is for Company business. You should not, for example, take supplies for home use or use the Company's systems and/or software for your private business. You should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

OUTSIDE EMPLOYMENT

It is almost always a conflict of interest for a Company employee to work simultaneously for a competitor, customer or supplier. You are not allowed to engage in outside employment that competes with the business interests of the Company and/or diverts time or attention away from your work with the Company or otherwise damages the Company's image. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on behalf of the Company.

BUSINESS GIFTS

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. The acceptance of gifts in exchange for business, a contract or any other exchange of business activity is prohibited, and may be illegal in some jurisdictions. You may not give or accept gifts, gratuities, favours or benefits if they (a) are in cash, (b) are excessive in value, (c) go beyond what could reasonably

be considered ethical and accepted business practices, (d) can be construed as a bribe or payoff, (e) they violate any laws or regulations or (f) may influence or appear to influence the performance of your duties. You must comply with all laws prohibiting improper payments to domestic and foreign officials. Other governments have laws regarding business gifts that may be accepted by government personnel. The promise, offer or delivery to an official or employee of various governments of a gift, favour or other gratuity in violation of these laws would not only violate Company policies but could also be a criminal offense. The Chief Financial Officer can provide guidance to you in this area. If you are unsure of the propriety of a business gift you must obtain approval from their immediate supervisor prior to delivery of such business gift.

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

Many materials used in the course of work for the Company are protected by copyright and other intellectual property laws. A few examples are computer software, audio and videotapes, trade journals, books and magazines. There may also be a copyright on presentation slides, training materials, management models and similar items. It is illegal to reproduce, distribute or alter copyrighted material without the permission of the copyright owner or authorized agent. The Company is the sole owner of all intellectual property created by you during your employment with the Company. Further, the Company from time to time makes use of intellectual property under license from third parties (e.g. software). Use or copying of any such Company or third party intellectual property for any personal advantage or private use or in violation of the licence agreement for that intellectual property contravenes this Code.

ACCOUNTING AND RECORDS

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation. Records should always be retained or destroyed according to the Company's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation please consult the Chief Financial Officer. Records and communications often become public through legal or regulatory proceedings or the media. You should avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations that can be misunderstood. This requirement applies equally to communications of all kinds, including e-mail, informal notes, online postings, internal memos and formal reports.

PUBLIC COMPANY REPORTING

As a public company, it is critical that the Company's filings with the appropriate securities regulatory authorities be accurate and timely. Depending on your position with the Company, a

Representative may be called upon to provide necessary information to ensure that the Company's public reports are complete, fair and understandable. The Company expects that you will take this responsibility very seriously and will provide prompt accurate answers to inquiries related to the Company's public disclosure requirements.

WHISTLEBLOWER POLICY

It is the Company's policy to comply with all applicable financial reporting and accounting regulations applicable to the Company. If you have concerns or complaints regarding questionable accounting or auditing practices of the Company, then you should submit those concerns or complaints in accordance with the procedures outlined in the Company's Whistleblower Policy available on the Company's website or upon request to Human Resources.

REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOUR

You are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behaviour and, when in doubt, about the best course of action in a particular situation. If you are concerned that violations of the Code or that other illegal or unethical conduct by Representatives have occurred or may occur, you should contact your supervisor. If you do not believe it is appropriate, or you are not comfortable approaching your supervisor about your concern or complaint, you may contact the Chief Financial Officer, or a member of the Audit Committee. Your confidentiality will be protected, subject to applicable law, regulations or legal proceedings.

NO RETALIATION

You should know that we will not allow retaliation of any kind by or on behalf of the Company and its Representatives against reports made in good faith of violations of this Code or other illegal or unethical conduct. Representatives found to have engaged in retaliatory behavior may be subject to discipline up to and including termination.

AMENDMENTS, MODIFICATIONS AND WAIVERS OF THE CODE

This Code may be amended, modified or waived by the Board of Directors of Electrovaya Inc. and waivers may also be granted by the Nominating and Corporate Governance Committee, subject to the disclosure and other provisions of applicable securities laws, regulations and policies.

STANDARD OF CONDUCT IN THE WORKPLACE

The Company is committed to providing a professional work environment built on a foundation

of mutual honesty, respect and integrity. We are proud to operate in an environment where each person conducts themselves in an appropriate and considerate manner. It is the Company's expectation that each individual will uphold this standard of conduct. Inappropriate conduct such as the following will not be tolerated:

- Failure or refusal to comply with instructions, to follow Company procedures, to perform reasonable duties assigned, or to follow safety regulations.
- Making false or malicious statements regarding the Company or any employee. • Insubordination.
- Stealing or attempting to steal from, or defrauding or attempted defrauding of, the Company or any employee or client. This applies to non-working hours as well as while on the job.
- Possession of, use of, attempt to sell or distribute unauthorized alcoholic beverages, drugs or illegal substances on the Company's premises or while conducting Company business, or reporting to work or working under the influence of, or when impaired by, alcohol, drugs or illegal substances.
- Damaging or destroying Company property, or the property of another on Company premises.
- Falsifying or altering any Company record, including applications for employment, pre-employment records, or withholding of any relevant information.
- The release, disclosure or use of confidential or proprietary information or trade secrets without the Company's written authorization.
- Violation of any Company policy, including this Code, as it may be revised from time to time.

BEHAVIOUR ON SOCIAL NETWORKING WEBSITES, BLOGS AND CHAT ROOMS

It is acceptable to express personal views, to participate in chat rooms and on social networking sites, and to maintain a blog ("Online Activity"), provided that, unless you receive prior authorization otherwise, any and all Online Activity conforms with the following:

- It is clear that views expressed in any and all Online Activity are yours only, and not those of Company;
- Your Online Activity does not include any confidential, non-public, proprietary or personal information, trade secrets or other information about the Company, its business, employees, customers, suppliers, partners, affiliates or competitors, including but not limited to comments about its services products operational performance, financial results or stock performance;
- Your Online Activity does not involve the disparaging of Company or any of its employees, or otherwise negatively impacts the reputation of the Company, its services, its products, customers, suppliers, partners, affiliates, competitors or any of its employees, officers or directors;

- Your Online Activity does not contain any of Company's copyrighted material or any of its trade-marks or logos;
- Your Online Activity does not in any way identify you with the Company, through the use of visible monikers; and,
- It is not done on company time or while using Company-owned equipment.

The Company has the right to discipline an employee if, while employed at the Company, the employee engages in conduct, which in the opinion of the Company, would be sufficient or likely to bring the Company or its employees into disrepute. For example, posting disparaging remarks about the Company on websites, blogs and/or chatrooms; identifying oneself as a Company employee while appearing on a distasteful website, as determined by Company in its sole discretion.

EMPLOYEE CODE OF CONDUCT AND ETHICS

We are committed to conducting our business in a fair, legal and ethical manner. Our Employee Handbook contains a Code of Conduct which sets out guiding principles for business conduct and states that, in carrying out their duties, Electrovara employees must always act legally, ethically and in the best interests of the Company. All our recruitment procedures comply with applicable local regulations and standards, and we take a fair and equitable approach to the search for talent. Salaries comply with local laws and regulations and are governed by internal pay equity for all employees. Electrovara also advocates freedom of work, which means that all work must be done voluntarily. No employee should be forced to work against their will. Our employees may terminate their employment by giving the required contractual or statutory notice at any time. Child labour and the employment of children under the legal minimum age are strictly prohibited at Electrovara and its customers and suppliers.

SUPPLIER CODE OF CONDUCT

Electrovara's Supplier Code of Conduct details the requirements and expectations we have of the suppliers we work with. We expect our suppliers to comply with all applicable legal requirements in the jurisdictions in which they operate and to systematically monitor and apply our Supplier Code of Conduct in their own operations and supply chain. Our Supplier Code of Conduct also sets out our principles of inclusion and responsibility. Child labour and the employment of children under the legal minimum age are strictly prohibited. We work only with suppliers who adhere to these same principles, and suppliers commit to meeting these standards as a condition of doing business with us.