

## **BOARD MANDATE**

### **ELECTROVAYA INC.**

#### **PURPOSE**

The board of directors (the "Board") is responsible for the overall corporate governance of the Corporation. It oversees and directs the management of the Corporation's business and affairs. In doing so, it must act honestly, in good faith, and in the best interests of the Corporation. The Board guides the Corporation's strategic direction, evaluates the performance of the Corporation's executive officers, monitors the Corporation's financial results, and is ultimately accountable to the Corporation's shareholders, employees, customers, suppliers, and regulators. Board members are kept informed of the Corporation's operations at meetings of the Board and its committees, and through reports and analyses by, and discussions with, management. The Board manages the delegation of decision-making authority to management through Board resolutions under which management is given authority to transact business, but only within specific limits and restrictions.

#### **COMPOSITION**

The Board will be composed of no fewer than three directors.

The Board will have a majority of independent directors.

The Board will appoint its own Chair. If the Chair is not an independent director the Board will appoint a lead director. In this case were a lead director is appointed the fees otherwise paid to the Chair shall be paid to the lead director.

#### **MEETINGS**

Meetings of the Board will be held as required, but at least four times a year.

The Board will appoint its own Secretary, who need not be a director. The Secretary, in conjunction with the Chair of the Board, will draw up an agenda, which will be circulated in advance to the members of the Board along with the materials for the meeting. The Secretary will be responsible for taking and keeping the Board's meeting minutes.

As set out in the By-laws of the Corporation, meetings will be chaired by the Chair of the Board, or if the Chair is absent, by a member chosen by the Board from among themselves.

If all directors consent, and proper notice has been given or waived, a director or directors may participate in a meeting of the Board by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a director participating in such a meeting by any such means is deemed to be present at that meeting.

The Board will conduct an in-camera session excluding management at the end of each Board meeting.

A majority of directors constitute a quorum.

All decisions made by the Board may be made at a Board meeting or evidenced in writing and signed by all Board members, which will be fully effective as if it had been made or passed at a Board meeting.

## **DUTIES AND RESPONSIBILITIES**

### **Selection of Management**

The Board is responsible for appointing the Chief Executive Officer (“CEO”), for monitoring and evaluating the CEO’s performance, and approving the CEO’s compensation. Upon recommendation of the CEO and the Nominating, Corporate Governance & Compensation Committee, the Board is also responsible for appointing all officers. The Board also ensures that adequate plans are in place for management development and succession and conducts an annual review of such plans as well satisfying itself as to the integrity of the CEO and culture of integrity throughout the organization

### **Corporate Strategy**

The Board is responsible for reviewing and approving the Corporation’s corporate mission statement and corporate strategy on a yearly basis, as well as determining the goals and objectives to achieve and implement the corporate strategy, while taking into account, among other things, the opportunities and risks of the business. Each year, the Board meets for a strategic planning session to set the plans for the upcoming year. In addition to the general management of the business, the Board expects management to achieve the corporate goals set by the Board, and the Board monitors throughout the year the progress made against these goals. In addition, the Board approves key transactions, which have strategic impact to the Corporation, such as acquisitions, key collaborations, key supply arrangements, and strategic alliances. Through the delegation of signing authorities, the Board is responsible for setting out the types of transactions that require approval of the Board before completion.

### **Fiscal Management and Reporting**

The Board monitors the financial performance of the Corporation and must ensure that the financial results are reported: (a) to shareholders and regulators on a timely and regular basis; and (b) fairly and in accordance with generally accepted accounting principles. The Board must also ensure that all material developments of the Corporation are disclosed to the public on a timely basis in accordance with applicable securities regulations. The Board ensures on a quarterly basis that internal controls and management information systems are in compliance with regulatory standards and free from material weakness. In the spring of each year, the Board reviews and approves the Annual General Meeting Material, which is sent to shareholders of the Corporation and describes the achievements and performance of the Corporation for the preceding year.

### **Legal Compliance**

The Board is responsible for overseeing compliance with all relevant policies and procedures by which the Corporation operates and ensuring that the Corporation operates at all times in compliance with all applicable laws and regulations, and to the highest ethical and moral standards.

## **Statutory Requirements**

The Board is responsible for approving all matters, which require Board approval as prescribed by applicable statutes and regulations, such as payment of dividends and issuances of shares. Management ensures that such matters are brought to the attention of the Board as they arise.

## **Formal Board Evaluation**

The Board, through a process led by the Nominating, Corporate Governance & Compensation Committee, conducts an annual evaluation and review of the performance of the Board, Board committees, and the Chair of the Board. The Nominating, Corporate Governance & Compensation Committee reviews the results of such evaluation and together with the Chair of the Board, discusses potential ways to improve Board effectiveness and discusses the results of the evaluation and the recommended improvements with the full Board. The Board also sets annual effectiveness goals and tracks performance against those goals. In addition, each individual director's performance is evaluated and reviewed regularly.

## **Risk Management**

The Board is responsible for identifying the Corporation's principal risks and ensuring the implementation of appropriate systems to manage these risks. The Board is also responsible for the integrity of the Corporation's internal controls and management information systems.

## **External Communications**

The Board is responsible for overseeing the establishment, maintenance and annual review of the Corporation's external communications policies which address how the Corporation interacts with analysts and the public and which also contain measures for the Corporation to avoid selective disclosure. The Board is responsible for establishing a process for receiving shareholder feedback.

## **TERMS OF REFERENCE FOR DIRECTORS**

### **Mandate**

In carrying out his or her responsibilities as a member of the board of directors, each director owes a fiduciary duty to Electrovaya Inc. and must ensure that he or she:

- acts honestly and in good faith with a view to the best interests of Electrovaya Inc.; and
- exercises the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

### **Duties and Responsibilities**

In carrying out his or her mandate as a director, each director must:

- maintain confidentiality of all information which is learned in his or her capacity as a director;
- exercise good judgment and act with integrity;
- avoid conflicts of interest;
- disclose contracts or arrangements in which the director has an interest;
- be an available resource to management and the rest of the board;
- ensure that the Corporation operates according to best practices;
- support and encourage legal, ethical and credible business practices;
- act and function independently of management; and
- be available for communications with the Chairman and/or CEO between meetings.

To promote the effectiveness of Board and committee meetings, each director must:

- prepare for such meetings by reviewing the materials sent out in advance of the meeting;
- attend not less than 75% of their total board and committee meetings during their term, unless an acceptable reason for absences is provided; and attend each meeting whenever possible;
- be in attendance for the full duration of the meeting, whenever possible;
- have acquired adequate information necessary for decision making;
- participate fully and frankly in deliberations and discussions during the meeting;
- encourage free and open discussion of the affairs of the Corporation by the board members; and
- question senior management appropriately regarding strategy, operations and results.

In order to be able to make well-informed decisions, each director must:

- remain knowledgeable about the Corporation's products and industry;
- develop a thorough understanding of the Corporation's role in the industry and the community;
- maintain an understanding of the regulatory, business, social and political environments in which the Corporation operates;
- maintain an understanding of current professional development matters affecting public company boards and the role of corporate directors generally; and
- remain knowledgeable about the Corporation's facilities and visit them when appropriate.

## **TERMS OF REFERENCE FOR THE CHAIR OF THE BOARD**

### **Appointment**

The Chair of the Board will be appointed annually by the board of directors (the “board”). Where a vacancy occurs at any time, the board will fill it. The Nominating, Corporate Governance & Compensation Committee will review these terms of reference and recommend any changes for approval by the board.

### **Qualifications**

The Chair of the Board will be an “unrelated” and “independent” director as defined in the applicable laws, regulations and listing standards of any stock exchange upon which the securities of the Corporation are from time to time listed.

### **Responsibilities**

The Chair of the Board will:

- facilitate the effective operation and management of, and provide strong leadership to, the board
- work with management in setting the agenda for meetings of the board;
- chair each meeting of the board, including the in-camera sessions after each meeting, and ensure they are conducted in an efficient and effective manner;
- respond to the concerns of any directors, including concerns which are not readily or easily discussed in a full meeting of the board;
- ensure the appropriate organization, content and flow of information to the board;
- ensure that the board understands the boundaries between board and management responsibilities;
- assist the Nominating, Corporate Governance & Compensation Committee in the annual performance evaluation of the board, board committees, and individual directors;
- monitor compliance by the directors of the Corporation’s corporate governance guidelines, including those related to minimum share ownership, meeting attendance, and board interlocks;
- chair meetings of the shareholders of the Corporation;
- act as a resource for, and counsel to, the Chief Executive Officer; and
- facilitate the Corporation’s efforts to create and maintain measures that allow for shareholders to communicate with the board.