

## **NOMINATING, CORPORATE GOVERNANCE & COMPENSATION COMMITTEE MANDATE**

### **Purpose**

The purpose of the Nominating, Corporate Governance & Compensation Committee (the "Committee") is to:

- review and recommend to the Board for approval all director nominations to the board and make recommendations concerning the size of the board and membership of board committees;
- determine director compensation, recommend policies and practices relating to directors, evaluate the performance of the Chair and review and approve director succession plans;
- monitor corporate governance issues and assess the relationship between the board and executive officers of the Corporation; and
- review and approve the Corporation's employee and management compensation policies and practices, incentive compensation plans (cash and equity-based short and long term incentive plans), the amount and form of compensation of the executive officers of the Corporation, all appointments of employees as executive officers and succession plans for executive officers of the Corporation.

The Board has determined given the size and culture of the organization that the Committee shall be a Committee of the whole with specific matters delegated to a committee of independent directors where the Board feels it is necessary.

In this Mandate, the "Corporation" means Electrovaya Inc. and a "director" means a board member.

## **Composition**

There will be at least three members of the Committee.

The members of the Committee are independent directors. Any member may be removed or replaced at any time by the board and will cease to be a member upon ceasing to be a director of the Corporation. Each member will hold office until the close of the next annual meeting of shareholders of the Corporation or until the member resigns or is replaced whichever occurs first. The Committee will appoint its own Chair.

## **Meetings**

The Committee will meet at least twice per year.

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

Meetings will be chaired by the Chair of the Committee, or if the Chair is absent, by a member chosen by the Committee from among themselves.

If all members consent, and proper notice has been given or waived, a member or members of the Committee may participate in a meeting of the Committee 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 member participating in such a meeting by any such means is deemed to be present at that meeting.

The Committee will conduct an in-camera session at the end of each Committee meeting without management present.

All directors who are not members of the Committee will be given notice of every meeting of the Committee and will be allowed to attend as observers. The President and CEO will be given notice of all meetings and will normally be requested to attend, other than in cases where the Committee wishes to meet in-camera. Other executives or employees of the Corporation will attend at the request of the Committee.

A majority of Committee members constitute a quorum.

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

The minutes of all meetings of the Committee will be provided to the board of directors. The Chair of the Committee will provide an oral report on the Committee's activities to the board of directors at the next regularly scheduled meeting of the board following each Committee meeting.

## Duties and Responsibilities

### Recommend Board Nominees

The Committee will identify and recommend to the board of directors the nominees for appointment, election or re-election to the board.

### Recommend to the board of directors the size of the board and the membership of all board committees

Annually, the Committee will make a recommendation on the size of the board. The Committee will also recommend nominees for board Chair and committee chairs, and the directors for appointment to each of the board committees.

### Determine the compensation of the directors

The Committee will review the adequacy and form of compensation for directors and ensure that such compensation realistically reflects the responsibilities and risks involved. The Committee will also review and approve any equity compensation plans, including any amendments thereto, relating to the issuance of equity compensation to directors.

### Organize, review and recommend programs and policies relating to directors

As required, the Committee will:

- with the assistance of management, organize and provide an appropriate orientation and education program for new directors;
- with the assistance of management, organize and recommend continuing education materials and presentations to be provided to the board where appropriate;
- in conjunction with the Chair of the Board and the President & CEO, develop and review annual board goals or focus priorities;
- annually review the mandates for the board, each board committee and board committee chair, and terms of reference for individual directors and recommend to the board the approval of any changes thereto;
- set and monitor minimum attendance guidelines for board of directors and committee meetings;
- conduct an annual assessment of the effectiveness of the board, the committees of the board, and the individual directors, and report on such assessments to the full board;
- set and periodically review director minimum share ownership requirements;
- consider and approve, where appropriate, requests by individual directors to engage the services of outside experts and advisors at the expense of the Corporation, so long as the CEO is given full knowledge of such engagement, unless the provision of such knowledge would be inappropriate in the circumstances;

- review from time to time any policies with respect to term limits for length of service by, and mandatory retirement age of, directors; and
- develop guidelines for the required resignation of directors.

#### Evaluate the performance of the Chair of the Board

The Committee will evaluate the performance of the Chair of the Board. In fulfilling this responsibility, the Committee will:

- establish formal performance objectives;
- monitor the performance of the Chair of the Board; and
- provide formal and informal feedback on performance.

#### Director Succession Planning

As required, the Committee will review and approve succession plans for directors. In fulfilling this responsibility, the Committee will:

- i. develop and review director qualification standards,
- i. develop a procedure for director selection to ensure that a broad number of skills are present on the board, and
- ii. to the extent required by applicable laws or regulations, ensure that there is a procedure to allow individual shareholders to recommend director nominees to the Committee for consideration.

#### Monitor corporate governance issues

In fulfilling this responsibility, the Committee will:

- advise the Chair of the Board and the board of directors on matters of corporate governance;
- advise the board on issues of conflict of interest for individual directors;
- annually review the corporate governance disclosure and disclosure of director and executive remuneration contained in the Corporation's management proxy circular and annual information form; and
- at the request of the board, consider any other matters which will assist the board to meet its responsibilities regarding corporate governance matters, including adherence to any governance guidelines or rules established by applicable regulatory authorities.

#### Assess responsibilities of management

The Committee will assess the relationship between the board and executive officers and recommend, as necessary, limits on the authority of management where board input is required.

Determine remuneration and other benefits of the Corporation's executive officers and performance bonuses and long term incentives for the Corporation's employees.

In fulfilling this responsibility, the Committee will:

- The Committee shall annually review the performance of the CEO and CFO and approve the employment Agreements of these executives.
- Annually approve and recommend to the board of directors of the Corporation the corporate multiplier reflecting the Corporation's prior year performance,
- Annually review the Corporation's performance bonus plan, approve performance bonus awards to the Corporation's non-executive employees, and recommend to the board of directors of the Corporation any issuances of common shares of the Corporation in payment of such performance bonuses, Annually approve long term incentive awards to the Corporation's nonexecutive employees, and recommend to the board of directors of the Corporation any issuances of equity based incentives,
- annually approve and review at mid-year and recommend to the board the CEO's personal performance goals,
- determine the remuneration, benefits and terms and conditions of employment of the CEO in light of the Corporation's financial and nonfinancial performance, and recommend to the board of directors of the Corporation any issuances of equity based compensation,
- approve the remuneration of the other executive officers of the Corporation, and recommend to the board of directors of the Corporation any issuances of equity based compensation,
- have the authority to appoint, determine the level of remuneration for, oversee and terminate services provided by, consultants. Any consultants engaged by the Corporation at the direction of the Committee will report directly to the Committee and the Chair of the Committee is authorized to execute and deliver on behalf of the Corporation any agreements or other documents relating to the terms of such appointments, and
- set and review executive share ownership guidelines and monitor compliance.

Review and approve the Corporation's equity-based incentive plans and recommend to the board of directors of the Corporation distributions under such plans

In fulfilling this responsibility the Committee will

- review eligibility criteria and award guidelines,
- review the proposals of the CEO and approve and make determinations on equity-based incentive plans such as share option and share distribution plans, including any amendments thereto, and
- review the proposals of the CEO and approve option, share and share equivalent allocations, and make recommendations to the board regarding the issuance of such options, shares and share equivalents.

## Executive Succession Planning

In fulfilling this responsibility for succession plans for executive officers, the Committee will

- review the functions of officers of the Corporation,
- review and discuss qualifications of proposed candidates named in succession plans, and
- provide guidance to management with respect to the succession plans.

## Other

The Committee will

- have the authority to appoint, determine the level of remuneration for, oversee and terminate the services provided by consultants. Any consultants engaged by the Corporation at the direction of the Committee will report directly to the Committee and the Chair of the Committee is authorized to execute and deliver on behalf of the Corporation any agreements or other documents relating to the terms of such appointments.
- perform an annual evaluation of its performance, having regard to the issues reviewed during the year;
- review the Corporation's Environmental, Health and Safety (EH&S) performance on an annual basis; and
- review the results arising from the Corporation's annual employee survey, in years in which one is conducted.