

SEVCON, INC.

Compensation Committee Charter

PURPOSE:

The purpose of the Compensation Committee is to consider all compensation-related matters, including fringe benefits, etc., for key executives and Board members. The Committee will also periodically review Company-wide programs and practices regarding general employee compensation, benefits and policies.

MEMBERSHIP:

The Compensation Committee shall be comprised of no less than three members, all of whom shall be "independent directors" as determined in accordance with the most restrictive applicable NASDAQ, SEC or statutory definitions then in effect.

RESPONSIBILITIES AND AUTHORITY:

The functions of the committee are as follows and may be varied from time to time as appropriate under the circumstances:

- To review and recommend to the Board of Directors all compensation-related matters, including fringe benefits, etc., for the Chief Executive Officer, other Executive Officers, and the Board itself. The Chief Executive Officer shall not be present during any deliberations or voting with respect to his or her compensation.
- To administer and supervise the Company's equity compensation plans, to make recommendations for grants or, to the extent authorized by the Board of Directors to make grants under those plans, and to review and recommend to the Board of Directors any major revisions to the Company's health care and other significant employee programs.
- To review and approve any individual employment terms of Officers or Employees which may create liabilities to the Company beyond those normal for the employment levels concerned.
- To recommend to the Board of Directors such course of action under the Company's Compensation Recoupment Policy as the Committee considers appropriate in any circumstances in which the Policy has been invoked.
- To prepare the annual Compensation Committee report for the proxy statement and to review and approve the Company's disclosures in accordance with the applicable requirements of SEC Regulation S-K with respect to disclosure of all plan and non-plan compensation awarded to, earned by, or paid to, Executive Officers.
- The Committee may, as necessary and appropriate, engage and consult with outside advisors to assist in its duties to the Company, taking into consideration factors relevant to such advisors' independence as may be relevant or required by applicable law or exchange listing standards. The Committee has the sole authority to approve the fees and other retention terms with respect to any such advisors.
- To keep minutes of its meetings and shall make periodic reports of its activities to the Board.

The Chairman of the Compensation Committee may authenticate, by his signature, all compensation matters decided by the Board.

POLICIES:

Notwithstanding any contradictory provisions or possible interpretations of existing equity compensation plans, it shall be the policy of the Compensation Committee to recommend that the Company seek stockholder approval of any material modification of such plans, except that the Committee may approve inducement grants to new employees without pursuing explicit stockholder approval. No new plans shall be adopted except upon the recommendation of the Committee, and unless otherwise exempt under applicable NASDAQ and SEC requirements, shall be subject to stockholder approval.

No extensions of credit in the form of personal loans may be made to Directors or Executive Officers by the Company where prohibited by law. Management shall promptly report to the Committee the extension of any permissible loans.

Revised December 2013