

Tech/Ops Sevcon, Inc.
Code of Conduct and Ethics

This Code of Conduct and Ethics addresses the following particular topics:

Compliance with Legal Requirements	Political Contributions
Avoiding Conflicts of Interest	Proprietary Information
Record Keeping	Corporate Citizenship
Public Disclosures	Audit Committee Accounting
Conduct in Sales and Purchases of Products	Complaint Procedures
Privacy of Information about Employees	Waivers of this Code
Anti-Trust Laws	Compliance with this Code
Selection of Personnel	

Preamble

Tech/Ops Sevcon's corporate goals are, in essence, to be a substantial growing company with increasing resources and earning power and enough diversification to: (1) weather any reasonable economic, political, sociological, product and market storms while adjusting to the new conditions; (2) take advantage of opportunities arising from within or without to strengthen the Company or accelerate growth; (3) to provide work satisfaction, financial rewards, opportunities and challenges to all employees; and to do this by fulfilling real economic and human needs while exercising high standards of corporate behaviour in matters of environment, equal employment opportunity and citizenship.

In order to achieve these objectives, our operations must be based on a solid foundation. It is our policy to (1) obey the laws of every land in which we operate, (2) conduct our business in such a manner that our personnel, our customers, our suppliers, and the public will look at us with respect, (3) provide an operating climate conducive to high employee morale at all levels.

Though the mode of operation from one country to another may vary somewhat, it is our intention that each of our businesses be operated throughout the world on a single high ethical standard. This Code is intended to promote this goal in conjunction with the Company's Policy on the Purchase and Sale of Corporate Securities and Audit Committee Complaint Procedures Regarding Accounting Matters. This Code also incorporates the Company's Code of Ethics for Senior Officers, to which the provisions on waivers and compliance below also apply.

Our aim is to compete aggressively: to apply all available resources, determination and intelligence to the development of a successful business while doing so in an honest, fair and legal manner.

To achieve these goals it is important for all Tech/Ops Sevcon personnel to remain aware of our policies and to set a proper example for all those who view their performance. Record keeping requires scrupulous integrity. A clear system of accountability must be maintained. Our reporting relationships are to be clearly designated. Authority levels are to be well established.

This Code applies to all Tech/Ops Sevcon directors, officers, employees and other agents. The restrictions on conflicts of interest and the receipt of improper benefits also apply to your family members, dependents and affiliated persons. You are responsible for any conflicts that may arise due to their conduct and for any improper benefits that they may receive.

Compliance with Legal Requirements

Tech/Ops Sevcon is committed to complying with laws, rules and regulations, as well as stock exchange and other requirements, wherever applicable. All employees, officers and directors are required to comply with such requirements as applicable to their particular role. You are expected to use good judgement and common sense and to ask for advice when you are uncertain about your responsibilities.

Avoiding Conflicts of Interest

Employees, officers and directors must act in the best interests of Tech/Ops Sevcon. Personal interests must not interfere with or otherwise be harmful to the Company's interests. Conflicts of interest that adversely affect Tech/Ops Sevcon are prohibited. Any actual or apparent conflict of interest between personal interests and those of Tech/Ops Sevcon must be handled honestly and ethically in accordance with the following procedures.

Full disclosure of any actual or apparent conflict is the essential first step to remaining in full compliance with this policy. You must disclose all actual and apparent conflicts of interest, including any proposed transaction or relationship that reasonably could be expected to give rise to a conflict of interest, to your division manager (or, in the event that such individual is involved in the matter, to the CFO, who is responsible for consulting with the Chief Executive Officer or Chair of the Audit Committee. Executive officers and directors must disclose such matters to the Chief Executive Officer or to the Chair of the Audit Committee.

Following disclosure, you must avoid or terminate any activity or relationship that involves an actual or apparent conflict of interest, unless it is determined at the appropriate level that the activity or relationship is not harmful to Tech/Ops Sevcon or otherwise improper. Any such determination shall be made by the Chief Executive Officer in the case of an employee, and by the disinterested members of the Audit Committee in the case of an executive officer or director.

The following are examples of situations that present a conflict of interest, or at least the appearance of a conflict, and are prohibited unless approved following disclosure as described above:

- Employment by a competitor, or potential competitor, regardless of the nature of the employment, while employed by Tech/Ops Sevcon;
- Employment of a member of your family by a competitor, or potential competitor of Tech/Ops Sevcon if such individual's employer could enjoy a commercial advantage as a result of your relationship;
- Placement of business with a firm owned or controlled by an officer, director or employee or his/her family;
- Ownership of, or substantial interest in, a company that is a competitor, business partner, customer or supplier of Tech/Ops Sevcon; and
- Acting independently as a consultant to a competitor, business partner, customer or supplier.

This list is not exclusive. Other situations may also present a conflict of interest. The Board of Directors may from time to time adopt additional rules to aid in determining whether a relation or transaction constitutes a conflict of interest.

Any employee who has a question about whether any situation in which he or she is involved amounts to a conflict of interest or the appearance of a conflict of interest should consult his or her division manager or, in the event that such individual is involved in the matter, the Vice President of Sales, Engineering or Logistics. Executive officers and directors should consult with the Chief Executive Officer or the Chair of the Audit Committee.

The end result of an ethical process of disclosure, discussion and consultation may be approval of certain relationships or transactions on the ground that, despite appearances, they are not harmful to Tech/Ops Sevcon or otherwise improper. However, any conflict of interest or appearance of conflict of interest, even if it does not harm the Company, is prohibited unless it has gone through this process of disclosure, consultation and approval.

Record Keeping

Tech/Ops Sevcon has established policies and procedures designed to provide reasonable assurance about the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principals. These policies and procedures are disseminated as appropriate to Company personnel depending on their responsibilities. However, all Tech/Ops Sevcon personnel are responsible, in general, for ensuring that: all entries in corporate books are to be accurate and consistent with the highest accounting standards with no false or misleading entries; all payments in whole or in part are to be solely for purposes described in supporting documents, receipts and expenditures are being made only in accordance with the authorizations of management and directors; and no funds or assets may be concealed. Employees are individually responsible for notifying their divisional controller of any discrepancies. Auditors must be accurately informed. The auditing process is to be independent. All transactions must be recorded and properly so recorded.

As part of its regular auditing procedures, the Company's internal audit staff will audit the records of divisions and subsidiaries to determine compliance with this code. The Company's independent outside auditors are also required to state whether any apparent violations of this Code have come to their attention.

Public Disclosures

Tech/Ops Sevcon maintains disclosure controls and procedures intended to ensure that financial and non-financial information is collected, analyzed, and reported in compliance with Securities and Exchange Commission rules and forms and in a timely manner, and to facilitate the upward reporting of such information. All Company personnel are responsible for complying with these controls and procedures as well as ensuring that material information concerning our business operations, transactions and financial reporting are provided in a timely manner to senior management. In particular, our chief executive officer, chief financial officer, and all senior financial officers are responsible for ensuring full, fair, accurate, timely and understandable disclosure in the periodic reports we are required to file with the SEC and in other public communications.

Conduct in Sales and Purchases of Products

Non-Discrimination. Tech/Ops Sevcon products and services are to be made available to all prospective purchasers without discrimination as to race, sex, national origin, disability, age, sexual orientation, religious belief or such other criteria as are not permitted by local law.

Fair Dealing. Statements, whether oral or written, relative to any product or service should be accurate and not misleading. No products or services should be offered under false pretences or where the purchase may be of an obvious disadvantage or deleterious to the customer. Personnel should not knowingly make false or misleading statements about suppliers, customers or competitors. No employee may use force or intimidation in any dealings.

Bribery. Bribery is a criminal act. No director, officer or employee may offer or give any form of bribe, kickback or other payment or gift to any government official or other person in order to secure preferential treatment in connection with Tech/Ops Sevcon business, nor in exchange or as a reward for any accommodation in connection with soliciting, negotiating or maintaining a business relationship with Tech/Ops Sevcon. This includes payments or gifts to a government official or employee to cause the recipient to use his influence or to cause him to fail to perform his required duty or to assist in obtaining or retaining governmental business, private business, or to influence legislation or regulations. No payment shall be made to any other party if you have reason to suspect all or part of it will be used to make such prohibited payments.

Bona Fide Inducements. Bona fide inducements in the form of business terms must be reasonably related to the value to be received by Tech/Ops Sevcon, competitively justified, authorized in accordance with Company guidelines and properly documented. They may be provided only to the party with which Tech/Ops Sevcon has the business relationship and not directly or indirectly to any individual officer, employee, or other agent of such party.

Offering Business Gifts or Entertainment. Subject to the foregoing and to the following limits, employees, officers, and directors may offer modest, conventional business gifts, meals and entertainment to existing and/or prospective customers and other parties in furtherance of Tech/Ops Sevcon's best interests.

- Employees and officers shall adhere to Tech/Ops Sevcon's guidelines and reporting requirements regarding expense accounts and business entertainment.
- No employee, officer, or director shall offer any gift, meal, or other entertainment valued in excess of \$50 to any government official or employee, except with the prior written approval of the Chief Executive Officer.

Acceptance of Gifts or Entertainment. All employees, officers and directors shall conduct their affairs in such a manner as to avoid adversely affecting their judgment or the Company's reputation. No employee, officer, or director shall accept any gift or other benefit that reasonably appears to be given in exchange or as a reward for any accommodation in soliciting, negotiating or maintaining a business relationship with the Company. The following may usually be accepted without violating this rule:

- Conventional business entertainment.
- Gifts offered on account of a family or personal relationship or as a token of appreciation upon a holiday or commonly recognized personal event, such as a wedding or promotion.
- Items that would be paid for by the Company as a reasonable business expense if not paid for by another party.
- Benefits available to the general public on the same terms.

However, the actual circumstances may raise concerns, so one must be vigilant. Anyone who has a question about the application of this rule to a particular situation should consult his division manager, the Chief Executive Officer or the Chair of the Audit Committee and document it.

Brokers. Brokers, dealers, agents, and distributors shall be asked to abide by this Code of Conduct and Ethics in representing Tech/Ops Sevcon, and monetary compensation to them shall not exceed standard commissions.

Privacy of Information about Employees

Records containing personal data about employees are confidential and will be treated by Tech Ops/Sevcon in accordance with the European Union Data Protection Directive (Directive (95/46/EC) as implemented locally, or outside the European Union (“EU”) by reference to the applicable local legislation. They are to be carefully safeguarded, kept current, relevant and accurate. They should be disclosed only to authorized personnel or in accordance with lawful process.

Anti-Trust Laws

Many countries, and the European Union, have anti-trust and/or other laws relating to relationships between competitors, suppliers, and customers.

Each manager and each person involved in sales, purchasing, or pricing should try within reason to familiarize themselves with the laws appropriate to their country or sphere of operations.

In the U.S. the relevant laws are the Sherman Act, Clayton Act, Robinson Patman Act, and the FTC Act. These acts make it illegal in the U.S. to have agreements between two or more persons which restrain commerce or trade or create a monopoly. When the effect may be to substantially lessen competition you may not discriminate in price between purchasers or sell or lease products upon condition that purchaser will not use products of a competitor.

Some important points are:

- Do not agree with other suppliers to fix prices or terms,
- Do not agree to divide a market with other suppliers,
- Do not agree with competitors to refrain from soliciting competitors’ customers,
- Do not agree to restrict products,
- Do not charge one customer less than you charge his competitor for comparable products or services, involving comparable terms and volumes.

Do not discuss these or any other similar matters with competitors. At any time if such matters are broached you are expected to inform the others present that you cannot participate and then leave. Any occurrence of this type should be reported to corporate counsel.

Selection of Personnel

Promotion and selection of employees shall be based on ability, effectiveness, education, training, and experience without regard for race, sex, national origin, disability, age, sexual orientation, religious belief or such other criteria as are not permitted by local law.

Political Contributions

The Company does not make contributions of any kind to political campaigns, candidates, or public officials. Employees should not engage in political activity or make political contributions of any kind if there is a reasonable likelihood that this would or could be construed as support by Tech/Ops Sevcon or any of its businesses or to reflect the policy of the Company.

Proprietary Information

Personnel should not discuss classified or proprietary Company information with outsiders except in furtherance of legitimate and authorized Company business purposes.

Corporate Citizenship

We are committed to and responsible for maintenance of a healthy and safe workplace. Furthermore, it is in the interest of Tech/Ops Sevcon to help insure that the world, and in particular each country in which we do business, is a good place in which to live and work now and in the future.

We should always be sensitive to and attempt to assure that our operations, products and services are compatible with environmental, social, and economic aspirations and the needs of the community.

Audit Committee Complaint Procedures Regarding Accounting Matters

The Audit Committee has established the following procedures for the receipt, retention and treatment of complaints and concerns regarding accounting, internal accounting control, or auditing matters ("accounting matters").

- Complaints and concerns regarding accounting matters may be reported to the Chief Executive Officer or Chief Financial Officer of the Company. They may also be reported on a confidential, anonymous basis to the Company's outside counsel -- Matthew C. Dallett (mdallett@eapdlaw.com), Edwards Angell, Palmer & Dodge LLP, 111 Huntington Avenue, Boston, MA 02199-7613 USA; (617) 239-0303. However, there may be circumstances where effective resolution of the matter obliges the Company to obtain or divulge your identity.
- All reported complaints and concerns regarding accounting matters shall be forwarded promptly to the Chairman of the Audit Committee. They will be reviewed and resolved under Audit Committee oversight by such persons as the Committee determines to be appropriate. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review.
- The Company will not discipline, discriminate against or retaliate against any employee who reports such a complaint or concern in good faith, whether or not the information is ultimately proven to be correct, or who cooperates in any investigation or inquiry thereof.
- A log of all complaints and concerns relating to accounting matters, tracking their receipt, investigation and resolution, shall be maintained under the direction of the Audit Committee. Copies of written complaints and concerns and such log shall be maintained in accordance with the Company's document retention policy and shall be available for review by the Company's outside auditor.

Waivers of this Code of Conduct

While the policies contained in this Code must be strictly adhered to, in some cases exceptions may be possible. Any employee or officer who believes that an exception to any of these policies is appropriate in his or her case should first contact his or her division manager. If the division manager agrees that an exception is appropriate, the approval of the Chief Executive Officer is required. The Chief Executive Officer shall be responsible for maintaining a complete record of all requests for exceptions to any of these policies and the disposition of such requests.

Any executive officer or director who seeks an exception to any of these policies should contact the Chair of the Audit Committee. Any waiver or change to this Code that applies to any director or executive officer may be made only by the Board of Directors of the Company. Any waiver or change applicable to any director or to the chief executive officer, chief financial officer, principal accounting officer or comptroller must be publicly disclosed as required by law.

Compliance

Any arrangement which seeks to contravene any restrictions contained in this Code of Conduct and Ethics is, of course, also contrary to Company policy.

Questions involving the requirements of the Code or the appropriateness of a relationship or action shall be referred to the division manager (who shall consult with the Chief Executive Officer or Chair of the Audit Committee, as necessary); or, in the case of a director, division manager or other officer, the Chief Executive Officer or the Chair of the Audit Committee.

Violations of this Code are regarded by the Company as highly serious matters and will result in disciplinary action which may include dismissal and reporting to public authorities. Moreover, any supervisor who directs or approves of any conduct in violation of this Code or any Policy, or who has knowledge of such conduct and does not promptly report it, also will be subject to disciplinary action, up to and including discharge.

If you believe that any other employee, officer or director has engaged or is engaging in conduct that violates this Code or any law, rule or regulation, it is your responsibility to report the matter promptly to the manager of your division or the Chief Executive Officer or Chief Financial Officer, or the Chair of the Audit Committee. Division managers shall report the matter directly to the Chief Executive Officer or Chief Financial Officer or the Chair of the Audit Committee.

You may also report any such matter confidentially to the Company's outside counsel -- Matthew C. Dallett (mdallett@eapdlaw.com), Edwards Angell, Palmer & Dodge LLP, 111 Huntington Avenue, Boston, MA 02199-7613 USA; (617) 239-0303. However, there may be circumstances where effective resolution of the matter obliges the Company to divulge your identity.

If the Chief Executive Officer or Chief Financial Officer, or the Chair of the Audit Committee receives information regarding an alleged violation of this Code, he shall, as appropriate, (a) evaluate such information, (b) if the alleged violation involves an executive officer or a director, inform the Chief Executive Officer and Board of Directors or its designated committee of the alleged violation, (c) determine whether it is necessary to conduct an informal inquiry or a formal investigation and, if so, initiate such inquiry or investigation and (d) report the results of any such inquiry or investigation, together with a recommendation as to disposition of the matter, to the Chief Executive Officer for action, or if the alleged violation involves an executive officer or a director, report the results of any such inquiry or investigation to the Board of Directors. All personnel are expected to cooperate fully with any inquiry or investigation by Tech/Ops Sevcon regarding an alleged violation of this Code.

No one shall discharge, demote, suspend, threaten, harass or in any other manner discriminate against an employee because he or she in good faith reports any such alleged violation or cooperates in any investigation or inquiry regarding such alleged violation.

The Company shall maintain written records of all reports of material violations of this Code and the resolution thereof, and of all waivers granted under this Code.

Contacts

Matthew Boyle
(President and CEO)

Email: matt.boyle@sevcon.com
Telephone:

UK +44 191 497 9101
US +1 (508) 281 5548

Matthew C. Dallett
(Legal Counsel)

Email: mdallett@eapdlaw.com
Telephone:

US +1 (617) 239 0303

Paul Farquhar
(Vice President, CFO and Treasurer)

Email: paul.farquhar@sevcon.com
Telephone

UK +44 191 497 9103
US +1 (508) 281 5549