



MAXWELL TECHNOLOGIES, INC.

RELATED PARTY TRANSACTION POLICY

Introduction

The Charter of the Audit Committee (the “**Committee**”) of the Board of Directors of Maxwell Technologies, Inc. (the “**Company**”) provides that the Committee’s responsibilities include reviewing and approving all related person transactions in accordance with the applicable rules of Nasdaq and the SEC and any related policies and procedures adopted by or on behalf of the Company.

The Company’s Code of Business Conduct and Ethics (the “**Code**”) is its primary guide to ethical decision-making. Through that Code, the Company strives to avoid circumstances that may create a conflict, or the appearance of a conflict, between the personal interests of an employee or director and the interests of the Company.

Accordingly, as a general matter, it is the Company’s preference to avoid Related Person Transactions (defined below). Nevertheless, the Company recognizes that there are situations where Related Person Transactions may be in, or may not be inconsistent with, the best interests of the Company and its stockholders, including but not limited to sales to customers in the ordinary course of business and other situations hereafter stipulated in this policy.

With the above considerations in mind, the Board has adopted this policy which shall be followed in connection with all Related Person Transactions involving the Company. This “Policies and Procedures for Related Person Transactions” only supplements the Code and is not an amendment or modification of the Code.

Definitions

For the purposes of this policy, a “**Related Person Transaction**” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is or will be a participant and the amount involved exceeds \$50,000 for an individual transaction or for \$100,000 for any contemplated series of transactions and in which any Related Person had, has or will have a direct or indirect material interest.

In particular, this definition shall include any transactions requiring disclosure under Item 404 of Regulation S-K under the Securities Exchange Act of 1934), other than transactions available to all employees generally.

For purposes of this Policy, a “**Related Person**” means:

- any person who is, or at any time since the beginning of the Company's last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company;
- any person who is known to be the beneficial owner of more than 5% of any class of the Company's voting securities or any of the Company's affiliates;
- any immediate family member ("**Immediate Family Member**") of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive officer, nominee or more than 5% beneficial owner, and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee or more than 5% beneficial owner; and
- any firm, corporation or other entity in which any of the foregoing persons is employed as an officer or director, or is a general partner or in a similar position or in which such person has a 5% or greater beneficial ownership interest, or any other situation in which the any of the foregoing persons can be deemed to be control persons of that entity.

Policies

Pursuant to the procedures set forth below, Related Person Transactions shall be consummated or shall continue only if:

- the Committee shall approve or ratify such transaction in accordance with the guidelines set forth herein, provided the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party;
- the transaction is approved by the disinterested members of the Board of Directors; or
- the transaction (i) involves the service of an executive officer or director of the Company or any related compensation, (ii) is approved by the Compensation Committee of the Board (the "**Compensation Committee**") and (iii) is reportable by the Company pursuant to Item 402 of Regulation S-K.

It is the Company's general policy to approve, enter into and/or ratify Related Person Transactions only when the Company determines that the Related Person Transaction in question is in, or is not inconsistent with, the best interests of the Company and its stockholders, including but not limited to situations where the Company may obtain products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources or when the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party, or on terms comparable to those provided to employees generally.

Procedures

The Company's management shall be responsible for maintaining a comprehensive list of known Related Person(s). Due to the inherent difficulty of identifying all related persons, this list shall be compiled using reasonable efforts, and no absolute assurance can be provided that the list will in fact be complete at all times or any time.

Periodically (but no less than annually), all executive officers and members of the Board of Directors shall be asked to confirm the completeness of this list and identify any changes to it.

At any regularly scheduled Committee meeting, management may submit a recommendation to have the Company enter into a Related Person Transaction. All material information regarding the Related Person Transaction and the Related Person shall be provided to the Committee for its consideration, including:

- the identity of the Related Person and his/her relationship to the Company;
- designation of this proposed transaction as to whether it is a single, one time transaction, a proposed series of transactions, or an ongoing business relationship;
- the proposed aggregate value of such transaction or transactions if known, or a good faith estimate;
- any alternatives considered, including any evidence supporting the arm's length valuation of the transaction; and
- the disclosure implications of the proposed transactions.

After review, the Committee shall approve or disapprove the proposed Related Person Transaction.

While pre-approval of Related Person Transactions is generally expected, where such approval is not obtained, management may preliminarily enter into a Related Person Transaction that is subject to ratification by the Committee at any subsequent meeting of the Committee; provided that if ratification shall not be forthcoming, management shall use reasonable efforts to re-negotiate, cancel or annul such transaction.

The Company's management shall periodically, but not less than annually, prepare a list summarizing all known receipts from, and disbursements made to, any Related Persons.

Review of Ongoing Transactions

At the Committee's first meeting of each fiscal year, the Committee shall review any previously approved or ratified Related Person Transactions that remain ongoing and have a remaining term of more than six months or remaining amounts payable to or receivable from the Company of more than \$100,000. Based on all relevant facts and circumstances, taking into consideration the Company's contractual obligations, the Committee shall determine if it is in the best interests of the Company and its stockholders to continue, modify or terminate the Related Person Transaction.

Disclosure

All Related Person Transactions that are required to be disclosed in the Company's filings with the Securities and Exchange Commission, as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules and regulations, shall be so disclosed in accordance with such laws, rules and regulations.

The material features of this policy shall be disclosed in the Company's annual report on Form 10-K or in the Company's proxy statement, to the extent and as required by applicable laws, rules and regulations.

Other

This Policies and Procedures shall not require approval or ratification of any Related Person Transaction that has been or is approved by the Board or the Compensation Committee. The approval or ratification of a Related Person Transaction by the Board or any committee thereof shall mean the approval or ratification of such transaction by a majority of the disinterested directors who are members of the Board or Committee, as applicable.