

ACTIVE POWER, INC.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

(as revised and adopted by the Board of Directors on July 26, 2013)

PURPOSE

The purpose of the Committee is to assist the board of directors, the Chairman of the Board and the Lead Independent Director (if any) in fulfilling its responsibilities for:

- o identifying qualified individuals to become members of the board of directors;
- o determining the composition of the board of directors and its committees;
- o monitoring effectiveness of the board of directors and its committees; and
- o developing, monitoring and evaluating sound corporate governance policies and procedures.

AUTHORITY

The Committee has authority to conduct or authorize investigations into any matters within its scope of responsibilities. It is also empowered to:

1. Engage such outside legal, accounting, search firm or other advisors to provide such advice and assistance as the Committee deems advisable or necessary to carry out its duties, with the Company to provide funding, as determined by the Committee, for such outside legal, accounting, search firm and other advisors and for any administration expenses of the Committee.
2. Seek any information it requires from employees (all of whom are directed to cooperate with the Committee's requests) or other parties.
3. Meet with the Company's officers, independent audit firm, general counsel and outside counsel, as necessary to fulfill its responsibilities.
4. Delegate authority to subcommittees (consisting solely of one or more members of the Committee), provided that any decisions made pursuant to such delegated authority and a description of the services rendered are presented to the full Committee at its next regularly scheduled meeting.

COMPOSITION

The Committee shall be comprised of at least two directors elected by the board of directors, each of whom (except as otherwise permitted) shall:

- o be free from any relationship that, in the opinion of the board of directors, would interfere with the exercise of his or her independent judgment as a member of the Committee; and
- o meet the independence requirements set forth in The NASDAQ National Market listing standards in effect from time to time (the "Nasdaq Standards").

A Chairman of the Committee shall be appointed by the board of directors.

MEETINGS

The Committee shall meet at least once during each fiscal year, and more frequently as the Committee in its discretion deems desirable or advisable. All Committee members are expected to attend each meeting, in person or via teleconference or videoconference. The Committee may invite members of management, auditors and others to attend meetings and provide pertinent information, as deemed necessary and appropriate. Meeting agendas will be prepared and provided in advance to Committee members, along with appropriate briefing materials. Minutes will be kept of each meeting of the Committee and will be provided to each member of the board of directors.

RESPONSIBILITIES

Although the Committee may wish to consider other duties from time to time, the general recurring activities of the Committee in carrying out its oversight role are described below. The Committee shall be responsible for:

Nominating Matters

1. Reviewing the structure of the board of directors, its committee structure, overall size, and the number of independent directors and make such recommendations to the board of directors as are determined by the Committee to be consistent with best practices and in the best interests of the Company.
2. Actively seeking individuals qualified to become members of the board of directors, including evaluating persons suggested by stockholders or others, and conducting appropriate inquiries into the backgrounds and qualifications of possible nominees.
3. Selecting candidates as nominees for election as directors and recommending those candidates to the board of directors. The Committee will select those nominees whose attributes it believes would be most beneficial to the Company. This assessment will include such issues as leadership, independence, interpersonal skills, financial acumen, business experience, industry knowledge, integrity, competence, diversity of viewpoints, and dedication in the context of the needs of the board of directors. The

Committee will periodically assess these criteria to ensure that they are consistent with the best practices and the goals of the Company.

4. Recommending to the board of directors the directors to serve as members of each committee after taking into account the desires, experiences and expertise of individual directors and the criteria, established by the Committee, for service on each committee. The Committee will review and recommend committee slates annually, and shall recommend additional committee members and the removal or resignation of committee members, as needed.
5. Monitoring and assessing the membership and composition of committees for compliance with SEC, NASD, stock exchange and other laws and regulations,
6. Developing and recommending to the board of directors a periodic self-evaluation process for the board of directors and its committees. The Committee will oversee the periodic self-evaluations. The Committee shall evaluate the performance of each director before recommending to the board of directors his or her nomination for an additional term as director.
7. Recruiting, in consultation with the Chairman of the Board and the Lead Independent Director (if any), those candidates for board membership that are approved by the board of directors.
8. Overseeing the orientation process for new directors and, if appropriate, the continuing education of existing directors reelected to their roles as directors of a public company.
9. In conjunction with the Chairman of the Board and the Lead Independent Director (if any), providing succession planning for the executive officers of the Company.

Corporate Governance Matters

10. Considering possible conflicts of interests of directors and any related party transactions, including involving charitable donations by the Company.
11. Reviewing the institutional and other affiliations of members of the board of directors and nominees for any potential conflict of interest problems, and making recommendations to the full board of directors with respect to the determination of director independence.
12. Reviewing the effectiveness of the Company's system for monitoring compliance with laws and regulations and the results of management's investigation and following-up (including disciplinary action) on any instances of noncompliance.
13. Advising and making recommendations to the board of directors on corporate governance and all matters pertaining to the role of the board of directors and the practices and the performance of its members.

14. Periodically reviewing the Company's code of business conduct and ethics and, if applicable, code of ethics for senior financial officers and recommend any proposed changes to the board of directors for approval.
15. Establishing procedures for receipt of communications from stockholders and, as appropriate, recommend to the board of directors actions to be taken in response to such communications.
16. Identifying and investigating emerging corporate governance issues and trends that may affect the Company.
17. Receiving, retaining and determining treatment of material violation of a federal or state securities law, a material breach of fiduciary duty arising under federal or state law, or a similar material violation of any federal or state law that is reported to the Committee by an attorney because the attorney reasonably believes that it would be futile to report such material violation to the general counsel or chief executive officer or the attorney reasonably believes that the response of the general counsel or chief executive officer to his report of such material violation was not appropriate or not timely.

Reporting Responsibilities

18. Reporting to the full board of directors following meetings of the Committee, and as otherwise requested by the board of directors, regarding the Committee's actions and recommendations, if any.
19. Reviewing any other reports the Company issues related to Committee responsibilities.

Other Responsibilities

20. Overseeing the Company's positions on and policies in respect to significant stockholder relations issues, including all proposals submitted by stockholders for inclusion in the Company's proxy statement.
21. Periodically reviewing the Company's stockholder rights plan and other takeover defense mechanisms, and make recommendations to the board of directors for any changes the Committee determines to be appropriate.
22. Instituting and overseeing special investigations, as deemed necessary.
23. Reviewing and assessing the adequacy of this Committee charter annually, request full board of director approval for proposed changes, and ensure appropriate disclosure as may be required by applicable law or regulation.
24. Confirming annually that all responsibilities outlined in this charter have been carried out.

25. Evaluating the Committee's and individual members' performance periodically.
26. Performing any other activities and assume other responsibilities consistent with and to effectuate the intent of the policies embodied by and the responsibilities set forth in this Committee charter, the Company's certificate of incorporation, bylaws and applicable law (including the listing requirements of NASDAQ or any applicable stock exchange) as the Committee or the board of directors deems necessary or appropriate and in the interest of the Company and its stockholders.