

Code of Business Conduct

UNITED STATES & CANADA

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OUR VALUES

These core values will guide our behaviors as we pursue C&D Technologies' mission.

INTEGRITY We believe that high ethical standards are the basis for trust in our business relationships. These standards include honesty, fairness, and respect in dealing with matters and people both internal and external to the Company. We honor our commitments and are accountable for our actions.

EXCELLENCE We strive for excellence by maintaining high quality and seeking continuous improvement. We promote excellence by recognizing quality and achievement of both the individual and the group.

SAFETY We conduct business in a manner that ensures the health and safety of our employees, customers, communities, and the environment.

INNOVATION We value new ideas and embrace necessary change. These new ideas include technological advancements as well as how people work and interact. A learning culture will facilitate innovation by looking to the future as well as understanding the past.

TEAMWORK Teams enhance the effectiveness of the organization by improving communication, cooperation and decision-making quality. Teams must consider and respect the diverse cross-functional, cultural and geographical differences of the members.

CUSTOMER SATISFACTION We believe our ultimate success is based on the success of our customers. This focus is critical to our interactions with both internal and external customers.

PERSONAL GROWTH The capability of the individual is the building block of our company. Individuals must improve their skills, knowledge, and effectiveness for the company to be successful.

Statement Letter

January, 2007

Dear C&D Employee:

As we work to achieve our mission, we must not lose sight of the fact that how we attain our goals is just as important as our actual achievements, no matter how impressive those achievements may be. We expect to be not merely legally compliant, but also ethical in our dealings with customers, shareholders, suppliers, competitors, communities in which we do business, and each other. Simply put, we want C&D to be recognized as a Company that “does the right thing.”

Looking back at the history of C&D, it is evident that the business environment in which we operate continues to grow more complex. The expectations of our shareholders have increased. The competition has intensified. The pace at which we have to make and implement decisions has quickened and will continue to do so. Given these realities, it is not surprising that the potential for acting in ways that may not be appropriate has also increased. Hardly a day goes by when we don't read about companies involved in very difficult, embarrassing and costly situations because one or more of their employees either knowingly or inadvertently failed to act appropriately.

To underscore our responsibilities as employees, and to communicate our standards and expectations to both existing and new members of the C&D team, this updated Corporate Compliance Program has been implemented. This Program has at its foundation the Company's Values, which you will find inside the front cover of this booklet, and is built upon a corporate Code of Business Conduct that reflects both existing law and Company policies.

As you familiarize yourself with these materials, please do not lose sight of the fact that the requirements of the Code of Business Conduct are not intended or expected to impede our efforts or prevent us from achieving our mission. Instead, adherence to the Code and our Values should be viewed as protecting C&D's reputation for integrity and fair dealing, thus making us more successful.

We want the people and organizations that have business relationships with C&D to be confident that those representing our Company are acting legally and, beyond that, ethically. For this reason, and on behalf of the C&D Technologies' Board of Directors, we fully endorse this program.

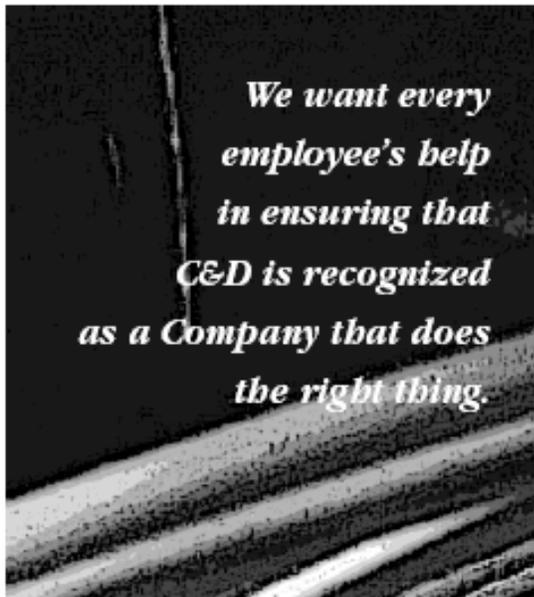
Sincerely,



William Harral, III
Chairman

Jeffrey A. Graves, Ph.D.
President and Chief Executive Officer

I. Corporate Compliance Program: Policy and Purpose



C&D Technologies, Inc. and its subsidiaries (throughout these materials collectively referred to as "C&D" or the "Company") are committed to conducting business in accordance with the highest standards of ethical conduct, and in full compliance with all applicable laws and regulations. Our business goals and drive for success must not override legal or ethical business practices.

Illegal or unethical conduct, even if it is intended to benefit C&D, is not acceptable under any circumstance. This kind of behavior can seriously undermine our reputation for honesty and integrity and cause irreparable damage to our Company.

Every employee is responsible for compliance with these standards, and beyond that, is expected to conduct C&D's business with the highest degree of integrity and fair dealing. To that end, the provisions of the Code of Business Conduct are intended to highlight some particularly sensitive areas.

C&D's management and its board of directors assume a special obligation for their own awareness of these standards and for communicating them to those who report to them.

C&D is committed to taking appropriate steps to prevent illegal or unethical behavior in the conduct of our business, to identify any violations of the Code of Business Conduct, and to take appropriate action in response to any such violations. Responses may include, where appropriate, reporting the information to relevant authorities.

We are mindful that the costs of internal monitoring and auditing and, when called for, voluntary disclosure, can be substantial. Indeed, potential penalties that may be imposed on the Company as a result of such disclosure can be quite severe. Nevertheless, any compromise to our reputation for integrity, and potential harm to the trust we have built with our constituencies that is caused by unethical or illegal behavior, can be far more damaging.

We want every employee's help in ensuring that C&D is recognized as a Company that does the right thing.

II. Introduction to the Code of Business Conduct

The Code of Business Conduct is the cornerstone of C&D Technologies' Corporate Compliance Program. It is intended to provide a framework of legal and ethical behavior for those acting on behalf of C&D, because the conduct of each employee matters. Illegal or unethical behavior by a single employee can cost the Company dearly.

No code of conduct can cover every situation that you may encounter; indeed ethical dilemmas, for which there are no straightforward or easy answers, do arise. Because these ambiguities exist, the Code provides the reader with a host of resources available to provide guidance and advice. Our expectation is that you will follow both the letter and, beyond that, the spirit, of the Code of Business Conduct.

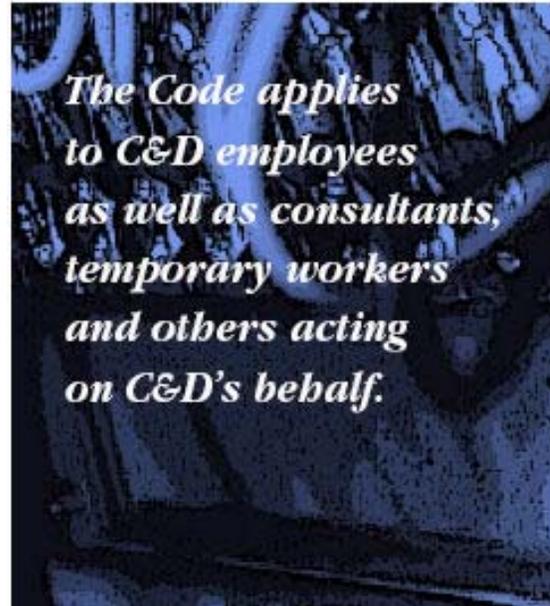
The standard policies and procedures adopted by the Company from time to time supplement this Code. These standard policies and procedures are available to every employee for easy reference through C&D's intranet site, as well as upon request at any time from Human Resources in Blue Bell. In addition, many job functions have specific policies and procedures which apply uniquely to them. If you have any questions about any of these or how they apply to you, please find out more from your supervisor.

For purposes of organization only, the various topics covered by the Code have been grouped under three broad subject areas: **Marketplace Activities, Protecting the Company's Assets, and Personal Conduct**. This method of organization does not limit the applicability of any provision to a particular group of people.

In preceding sentences and throughout this document, the term "employee" is used to refer to those individuals who are actually employed by C&D. Notwithstanding that terminology, the Code of Business Conduct also applies to members of C&D's board of directors, its consultants, temporary workers, and any individual who may be authorized to act on behalf of our Company.

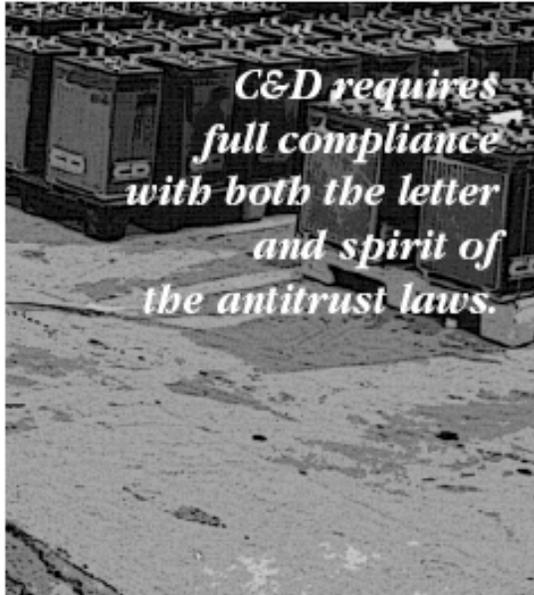
In Section VI of the Code you will find the definition of key terms used in the text to aid in your understanding of your responsibilities. These terms are identified in the body of the document in **bold** text to let the reader know that a definition is provided.

The Code is a statement of policies for individual and business conduct, and does not in any way constitute an employment contract or an assurance of continued employment. It is for the sole and exclusive benefit of the Company and may not be relied upon by any third party. C&D may, in its sole discretion, amend the Code at any time with or without notice.



III. Provisions of the Code of Business Conduct

A. Marketplace Activities



ANTITRUST COMPLIANCE

The antitrust laws are designed to preserve and promote fair and honest competition within the free enterprise system. To accomplish this goal, the language of these laws is deliberately broad, prohibiting such activities as unfair methods of competition and agreements in restraint of trade. This kind of language gives enforcement agencies the right to examine many different business activities in order to assess their effects on competition. The policy of C&D is to require full compliance with both the letter and spirit of the antitrust laws.

"Per Se" Violations

Certain acts are construed under the antitrust laws as completely indefensible, no matter how compelling the justification. These indefensible acts are known as "per se" violations and include the activities described below.

- "Price Fixing" is an agreement or understanding between competitors with respect to raising, lowering, fixing or stabilizing prices. Any agreement or understanding between a supplier and a customer, as to the price at which the customer may resell the goods purchased from the supplier, also constitutes price fixing.
- "Limitation of Supply" occurs as a result of any agreement or understanding between competitors to restrict the volume of goods they will produce or make available for sale.
- "Allocation of Business" is an agreement or understanding that each competitor will confine its business to a different geographical area, to a different line of business, or to separate customers or classes of customers.
- "Boycott" results from an agreement or understanding between two or more companies that they either will not sell to, or purchase from, another company or group of companies.
- "Tying" is an arrangement whereby a seller compels the buyer of a product to buy an additional item (the tied product) from the seller in order to obtain the desired product.

Discussions with Competitors

No employee or other person acting on behalf of C&D may discuss with a competitor, either directly or indirectly, any of the following information not already in the public domain:

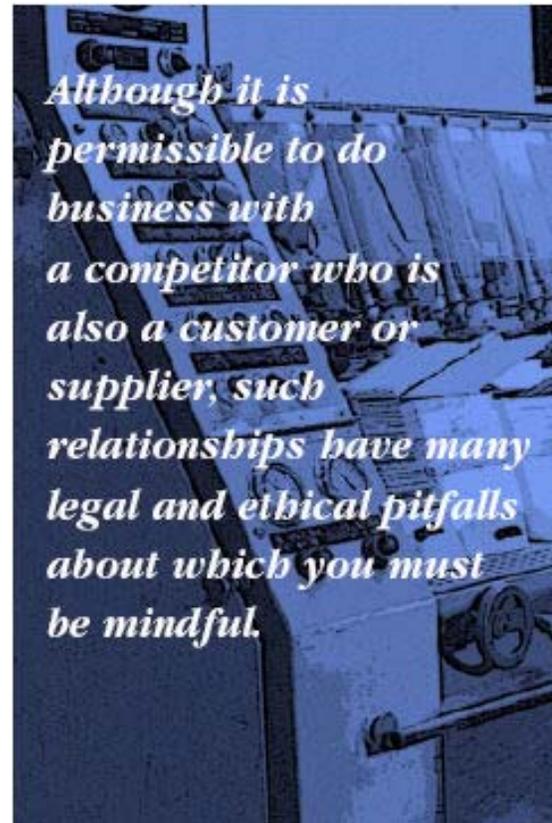
- Prices
- Costs
- Profits
- Product or service offerings
- Terms or conditions of sale
- Deliveries
- Production facilities or capabilities

- Production or sales volume
- Market share
- Decisions to quote or not to quote
- Customer or supplier classification, allocation or selection
- Sales territories
- Distribution methods or channels
- Potential acquisitions

Exceptions to this prohibition may apply. For example, the Company may be specifically authorized by the government to engage in a particular communication with a competitor. Or the Company may be legitimately involved in a joint venture or teaming agreement, or in the process of exploring a potential acquisition. In such instances, the Legal Department must be consulted in advance to ensure that any communications with competitors are of an appropriate nature.

Meetings with Competitors

Meetings with competitors are troublesome because they may potentially give the appearance of impropriety. These interactions could constitute circumstantial evidence of inappropriate conduct by C&D or its employees in an antitrust action against the Company. Nevertheless, in the ordinary course of business, contact with competitors frequently occurs, for example in connection with trade shows or professional society meetings. Accordingly, this section provides some “rules of the road” to apply in instances of this nature. If in such a setting, a competitor brings up any inappropriate business topic, the dialogue must cease immediately. Remind the competitor that it is C&D’s strict policy not to discuss such topics (and, probably, against the policy of their own company, as well). If the competitor persists with such activity, you and anyone else in attendance representing C&D must leave the meeting or location immediately. And, it is recommended that you exit in such a manner as to draw attention to your departure. It is imperative that instances of this nature are reported promptly to the Legal Department.



Selling to Competitors

Our Company has multiple product lines. It is possible that a company may be a competitor of C&D in one line, while a customer in another. Although it is permissible to do business with a competitor who is also a customer or supplier, such relationships have many legal and ethical pitfalls about which you must be mindful. Doing business with a competitor is permissible so long as no action is taken, conscious or otherwise, that is or appears to be collusive. Controlled communications and meetings with competitors are permissible so long as the exchanges are relevant and appropriate to a bona fide buyer-seller relationship. Certain other transactions can also be quite complex. For example, when the Company is both buying from and selling to the same entity, we must ensure the avoidance of potential improprieties, such as the risk of reciprocal dealings violations. One way to reduce this risk is to restrict communications between C&D representatives who are buying from, and those who are selling to, the same customer or supplier.



Unfair Competition Against Competitors

C&D wants to win in the marketplace based on the quality of its people, products and services, and not by behaving so as to inappropriately disadvantage the competition. The following descriptions illustrate some forms of unfair competition prohibited both by law and Company policy:

- If a customer or supplier has a firm contract commitment with a competitor, it would be inappropriate for C&D to seek to induce such a party to breach its contract with the competitor in order, for example, to cause them to do business with us.
- Malicious tampering with a competitor's product, collecting and destroying its product literature, harassing it by fictitious inquiries, coercing or intimidating its suppliers, and passing off a competitor's product as the product of our firm, would also be forms of unfair competition.

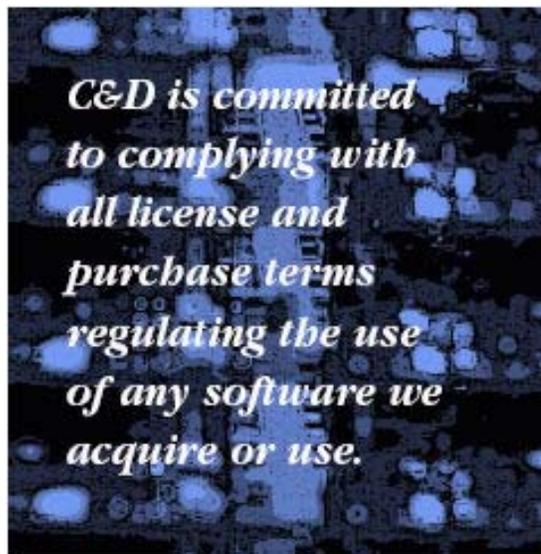
It is often difficult to draw the line between proper reaction and overreaction to a competitive problem. If you have any question or doubt, please consult with the Legal Department before taking any action. In any event, avoid participation in any possible illegal activity with competitors. Confine your communications to what is clearly legal and proper and immediately report any incident associated with prohibited activity to the Legal Department.

INTERNATIONAL BUSINESS

Everyone acting on behalf of C&D is expected to comply with the laws of the countries in which they operate, and the laws of the United States applicable to the conduct of business outside the United States. When United States law is more restrictive than the laws of the country in which we operate, United States law will control the conduct of our business.

IMPORT AND EXPORT REGULATIONS

In the ordinary course of business, the Company is frequently involved in international transactions and communications. C&D employees in sales and marketing positions, and other employees, are the Company's representatives in these activities. Any impairment of our relationship with border officials in even one country could adversely impact, worldwide, our ability to operate. Penalties for violations of the trade laws of the United States, in particular, are especially harsh. The Company places great importance on full compliance with the international trade laws of all countries, especially those of the United States. To that end, all goods moved across national borders must be handled in accordance with the applicable laws of the exporting and importing countries. The export of goods and services from the United States is administered by the regulations of several federal agencies. To varying degrees, the United States prohibits trade with many countries, including Iran, Iraq, Libya, Sudan, North Korea and Cuba, and with certain identified entities and individuals.



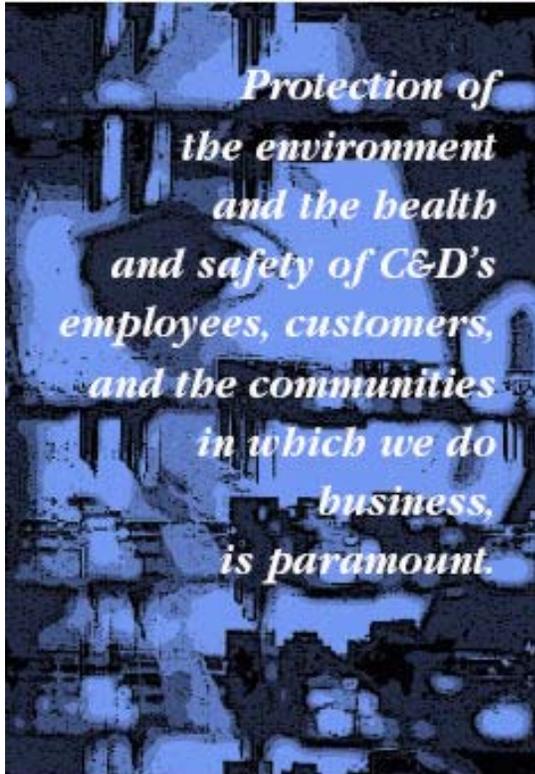
At the same time, the United States prohibits its citizens from participating in international boycotts with trading partners who require such cooperation. For countries with which trade is permitted, the export of certain goods and services by the Company may require a specific export license from the Department of Commerce. In fact, goods manufactured by a foreign subsidiary of C&D, and shipped to a customer outside the United States, must still comply with United States government regulations.

The importation of merchandise in the United States is also intensely regulated. As the importer of record, C&D must use reasonable care to obtain and report accurate information needed for determining admissibility, classification, valuation, country of origin, origin labeling, and applicable rate of duty of the merchandise being imported.

The law in this area is extremely complex, and any questions regarding the importation or exportation of goods and services and related record keeping obligations should be directed to the Legal Department.

USE OF COPYRIGHTED AND OTHER PROTECTED MATERIALS

Federal law protects copyrighted works. Examples of these materials include books, magazine articles, photographs, computer software, visual and performance art, sound recordings, and a variety of other works. The unauthorized reproduction of any copyrighted materials is against the law and contrary to corporate policy. To help deal with some of these issues and concerns, C&D has obtained a repertory license from the Copyright Clearance Center permitting the Company to make photocopies of excerpts of certain registered works. This license permits unlimited photocopies to be distributed to C&D employees for internal use only. The database of the works covered under this license, including trade, newspaper, and magazine titles, can be found at www.copyright.com. Our Legal Department can also help you determine whether the use of copyrighted materials is appropriate. Software is not covered by the Copyright Clearance Center license and unauthorized duplication or use of legally protected software is not appropriate at C&D under any circumstance. C&D is committed to complying with all license and purchase terms regulating the use of any software we acquire or use.



GATHERING BUSINESS INFORMATION

In the normal course of business, it is common to acquire information about many other organizations, including competitors. Doing so is a normal business activity and is not unethical in itself. In fact, C&D quite properly gathers this kind of information for specific purposes, such as extending credit and evaluating suppliers. The Company also collects information about our competitors from a variety of legitimate sources, such as published materials and public records, to evaluate the relative merits of its own products, services, and marketing methods. Utilizing improper means to acquire a competitor's trade secrets, confidential information or other competitive intelligence is often a violation of law and is clearly not acceptable at C&D. (Also see discussion above regarding "Unfair Competition Against Competitors").

The following behaviors constitute inappropriate business information gathering:

- Trespassing on competitor property
- Stealing of competitor documents or property
- Purchasing of confidential competitor documents or property
- Conducting covert operations to record or observe confidential competitor activities or materials
- Placing an undercover agent/employee on a competitor's payroll
- Hiring a competitor's employee for the purpose of learning confidential information
- Conducting phony negotiations or obtaining business information under the false pretense of a business transaction
- Conducting market research under false pretenses
- Bribery, blackmail or extortion to elicit information
- Coercion of a former employee of a competitor to violate contractual or confidentiality promises
- Engaging in any of these activities through a sub-contractor or agent

If information concerning a competitor is labeled "trade secret," "confidential," "proprietary" or "restricted," or if you have any other reason to believe that C&D may not be free to use or disseminate it without restrictions, the appropriate course of action is to review it with your manager or the Legal Department.

ENVIRONMENTAL, HEALTH AND SAFETY

Protection of the environment and the health and safety of C&D's employees, customers, and the communities in which we do business, is paramount in the conduct of our business. Therefore, it is C&D's policy to comply with all of the laws and regulations that govern our behavior in those areas and to establish and implement responsible practices where laws and regulations do not exist. Further, C&D works with government and industry groups to foster the development of appropriate health, environment and safety programs, laws, regulations and voluntary initiatives. Any concerns that may arise with respect to the fulfillment of our obligations and responsibilities in this regard should be promptly communicated to the Vice President of Environmental, Health & Safety.

PRODUCT QUALITY

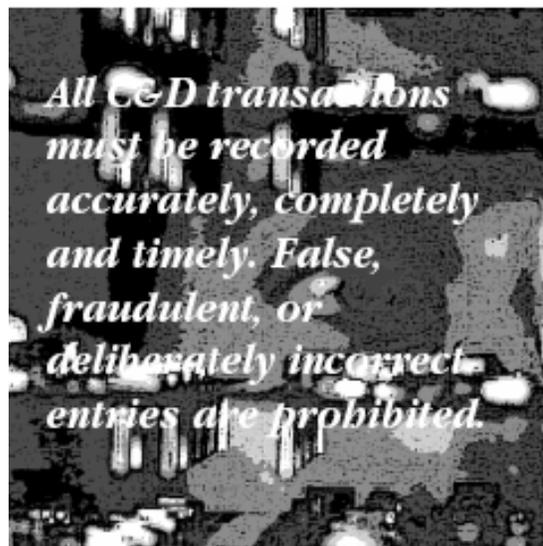
C&D's reputation depends, in large part, on the quality and safety of its products. Therefore, any concern that you may have regarding a possible defect or deficiency in our products, their safety or their efficacy, should be promptly brought to the attention of your manager, any vice president of the Company, or the Vice President of Technology.

B. Protecting the Company's Assets

ACCURACY AND RETENTION OF BOOKS AND RECORDS

Accurate records play a vital role in assuring adherence to high ethical and legal standards. Accordingly, all C&D transactions must be recorded accurately, completely and in a timely fashion. These include, by way of example, expense accounts, time sheets, environmental and other reports to the government, production and quality reports, employment or employee benefit applications, statements made in connection with investigations, and required employee reports. False, fraudulent, or deliberately incorrect entries are prohibited. C&D is committed to maintaining appropriate internal accounting controls in order to ensure legal and ethical compliance in all of its financial undertakings. In all accounting matters, generally accepted accounting principles and all applicable laws and regulations must be followed. Each subsidiary, branch, and non-U.S.

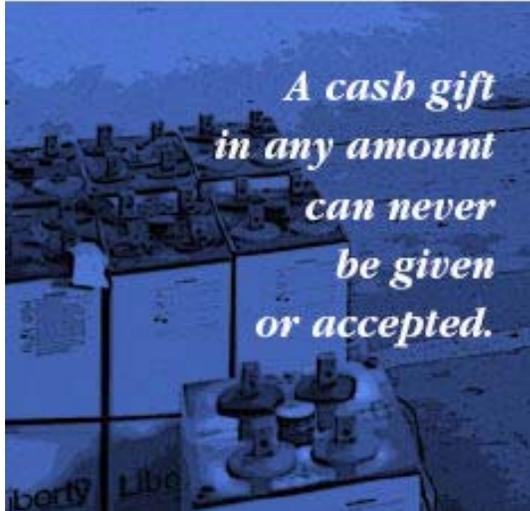
employee of C&D is likewise required to maintain books and records that properly reflect all transactions of the Company. In addition, each is responsible for the maintenance of an adequate system of internal accounting controls. Each transaction entered into by the Company must have proper authorization and approval, then proper and complete accounting and reporting of the transaction. The handling of our transactions is subject to internal audit verification, and any exceptions must be reported to C&D's Chief Financial Officer. Certain documentation must be retained in accordance with applicable statutory retention requirements. And certain other records, regardless of their form (audio, visual, email, computer files, etc.) may not be destroyed if you are aware of any impending government investigation or pending litigation in which its production may be relevant. If you have any questions in this regard you should contact the Legal, Environmental, Health & Safety, Human Resources, or Finance Department, as applicable.



GIFTS, GRATUITIES AND ENTERTAINMENT

Government Representatives-Federal, State, and Local

The use of Company funds or assets for payments of gifts to any federal, state or local government official or employee is illegal and strictly prohibited at C&D.



Government Representatives – Foreign

The Foreign Corrupt Practices Act and Company policy prohibit employees and their agents from offering or giving, for the purpose of producing favorable business decisions, anything of value to:

- A **foreign official**, including any person acting in an official capacity for a foreign government
- A foreign political party official or political party
- A candidate for foreign political office

It also prohibits the use of intermediaries, such as foreign affiliates or agents, to channel payoffs to **foreign officials**.

The law does allow certain types of payments to **foreign officials**, including payments to “facilitate” routine

government actions; however, determining what is a “facilitating” payment involves difficult legal judgments, and the law in this area is very complicated. The slightest mistake may expose both the Company and the person responsible for the payment to criminal prosecution, including the imposition of large fines and terms of imprisonment. Therefore, except for legally prescribed fees and like payments, no payments or gifts may be made to **foreign officials** related to the Company’s business, including any proposed payment or gift thought to be a “facilitating” payment or payment otherwise exempt from the law, unless approved in writing by the Chief Financial Officer, with advice of legal counsel.

You should report immediately to the Legal Department any request made by a foreign government or political party official or candidate for political office or any representative of such person for a payment or other benefit prohibited by this Code, and any other actions taken in an attempt to induce such a payment or benefit.

Other Private Entities

Employees may not make gifts to or entertain persons or firms doing business with the Company, in a fashion that exceeds the **customary courtesy** extended in accordance with accepted ethical business practices or which is known to be in violation of business policies of that person’s employer.

Neither an employee nor a member of his or her family may seek or accept any favor or payment from any person or business organization that does or seeks to do business with C&D, or that is a competitor of C&D. This includes any gift, valuable privilege, vacation or pleasure trip, service, fee, loan, or other favor, other than a **customary courtesy** extended in the normal course of business. Further, no employee may accept anything of value in exchange for referring a third party to any such person or business organization. A cash gift in any amount can never be given or accepted. Nor may any cash equivalent, such as stock or other forms of marketable securities.

In certain countries, awkward business situations could result from refusing personal gifts whose value is substantially greater than what is acceptable under U.S. business practices. In each such case, an employee should discuss, with her or his supervisor or the **Corporate Compliance Officer**, the propriety of keeping a valuable gift for personal use as opposed to turning it over to the Company (which may then elect to return it).

USE OF CORPORATE ASSETS

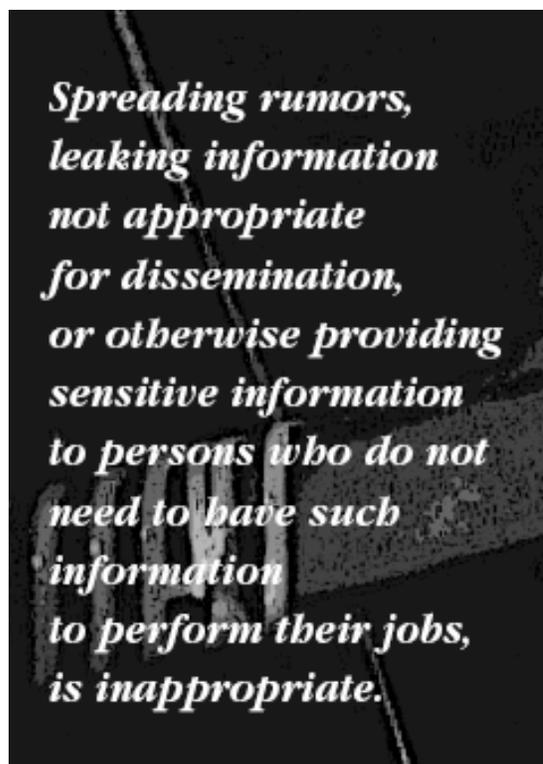
The protection and proper use of C&D's assets is of vital importance and is considered to be the responsibility of each of us. These assets include obvious items such as buildings, machinery, computers, inventory, and products. Trademarks, tradenames, brochures, product descriptions, customer lists, pricing information, business plans, financial information, manufacturing processes, product performance data, software, and all other documents, writings, copies, and databases used in the course of your employment are also valued assets of the Company, and are proprietary to C&D. Corporate assets must not be used for personal benefit, for the benefit of any third party, or any other improper purpose. They may not be sold, loaned, given away, or otherwise disposed of, regardless of condition or value, without proper authorization. They must be returned upon request or upon termination of employment. Personal use of Company telephones and cell phones must be limited and reasonable.

CONFIDENTIALITY OF CORPORATE INFORMATION

Company information is valuable to both C&D and to outsiders. Only information that is obviously immaterial or that has already been made available to the public (such as through press releases, annual reports, quarterly reports, filings with the Securities and Exchange Commission, etc.) or that must be disclosed to properly perform your job, may be provided outside the Company. Absent written authorization from the Legal Department, C&D employees should not acquire, use, access, copy, remove, modify, alter or disclose to any third parties any confidential information for any purpose other than to fulfill job responsibilities or in connection with Company-sponsored activities. All information and data resident on the Company's computers, mainframe, network or personal computers, are the sole and exclusive property of C&D. Care must be exercised with respect to computer data and information to protect them against intentional or unintentional corruption, for example, by computer viruses.

Within the Company, information should be communicated carefully. Spreading rumors, leaking information not appropriate for dissemination, or otherwise providing sensitive information to persons who do not need to have such information to perform their jobs, is inappropriate. It is also important that employees do not publish books, newsletters or articles, nor give talks or lectures releasing any confidential or **proprietary information** relating to C&D's business to the press or trade presses without the prior approval of the Chief Financial Officer or the Legal Department. And, after your employment with C&D terminates, you are prohibited from using any confidential Company information for any private purpose or gain. Nor may you disclose such information to a new employer. While employed by C&D, you may not file any patent application relating to any invention made during employment with C&D without the approval of and through service providers identified by the Legal Department.

Similarly, persons who come to work for C&D from other employers must not use or disclose their former employer's confidential information in working for C&D. If you are subject to a confidentiality, non-compete or similar restrictive arrangement with a former employer or any third party, you must inform your supervisor and the Legal Department immediately of the existence and terms of the arrangement to avoid potential personal and corporate liability.



As reflected in the Company's Electronic Communications Systems ("ECS") policy, C&D reserves the right to monitor, retrieve and view any information created, received or stored on its electronic communications systems, including information transmitted by email, the Internet (including "chat room" and "message board" activity), facsimile, voice mail, and telephone. Your use of Company electronic communications systems constitutes consent to allow C&D to retrieve and view any electronic information that you have created, received or stored on the Company's systems. Employees are not entitled to, and should not have any expectation of, a right of privacy in connection with such communications transmitted by any means provided by the Company.



AUTHORITY TO ACT ON BEHALF OF THE COMPANY

If your position involves the procurement of goods and services for C&D or any other disbursements of company funds, you should familiarize yourself with applicable policies and procedures. These requirements include the securing of all necessary approvals for such commitments. Moreover, contracts and business documents should be signed only after obtaining appropriate review and authorization.

AGENTS AND CONSULTANTS

There are occasions in which C&D determines that it is appropriate to retain and utilize agents, consultants, and others in connection with advancing the interests of the Company. All agreements with such parties must be in writing and signed by a vice president of the Company. In determining whether to utilize such resources, the approving Company representative must consider the following:

- The legitimate need to use an agent or consultant
- The reputation of the agent or consultant
- The qualifications of the agent or consultant
- The legality of retaining the agent or consultant for the purpose intended

Any agreement that provides for payment of commissions or fees in a place or manner which is, or could be, intended to assist the recipient in evading the laws of his or her own country is prohibited.

BUSINESS COMMUNICATIONS

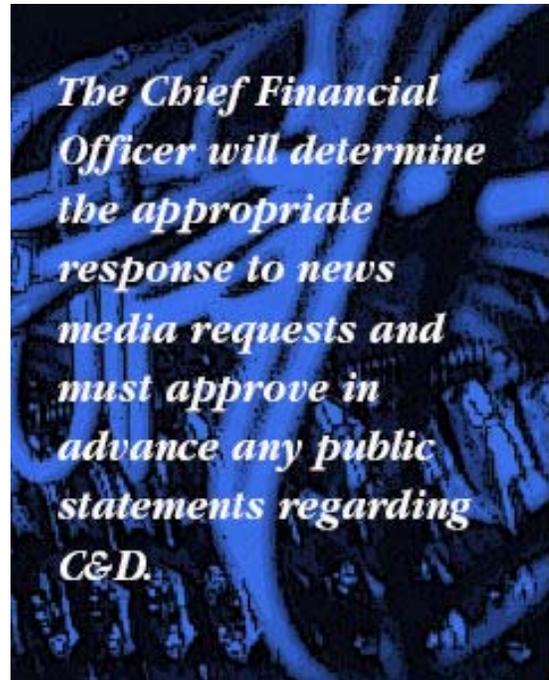
All business communications must be truthful, professional, and free from false or fraudulent claims or statements. This includes business correspondence, product literature, sales promotion materials, newsletters, news releases and any other communication, whether intended for internal or external use. Product literature must avoid deliberately misleading statements regarding our products and those of competitors. Statements about C&D's products and comparisons with competitive offerings must be based on factual data. Both C&D and individuals acting on behalf of the Company may be liable to investors who buy or sell C&D stock in reliance on misleading or incomplete Company statements. All public statements, oral or written, must be accurate with no material omissions.

MEDIA RELATIONS

Employees may be asked by representatives of the news media for information concerning the Company's position on public issues. Employees should refer any such inquiries from the media to the Chief Financial Officer, who serves as the Company's investor relations officer. The Chief Financial Officer will determine the appropriate response to news media requests and must approve in advance any public statements regarding C&D. If an activity merits or requires public disclosure, the Chief Financial Officer will coordinate its release.

GOVERNMENT RELATIONS

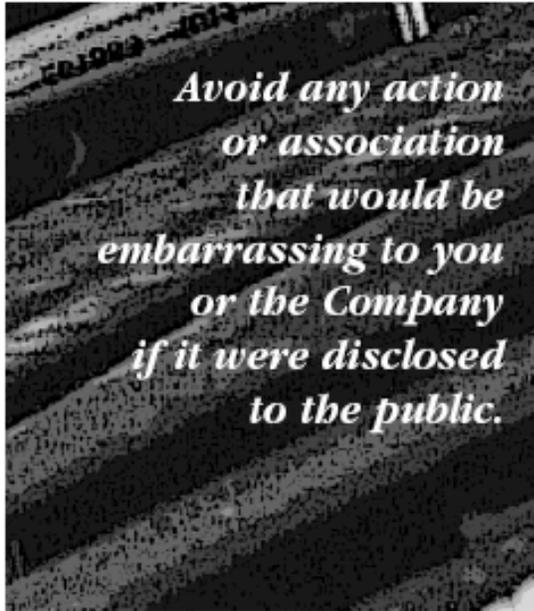
Our Company recognizes and respects the important role that government—federal, state, and local—plays with respect to the implementation of our strategies, management of our operations and achievement of our goals. It is the policy of C&D to develop and maintain good relationships and effective communication with all levels of government. Accordingly, contacts with government officials must never be conducted in a way that would violate applicable laws and regulations, cast doubt on the Company's integrity or compromise the Company's lawful interests. Under the guidance of the Legal and Environmental, Health & Safety Departments, as applicable, legitimate requests for information from government entities must be promptly answered, documents must be produced in a timely fashion, and cooperation must be extended in connection with inspections, audits and the like. It is to the benefit of C&D that we efficiently and effectively assist in these activities.



TRANSACTIONS WITH THE GOVERNMENT AND GOVERNMENT REPRESENTATIVES

Costs applicable to U.S. government contracts are to be recorded in C&D's records and reported and billed to the U.S. government strictly in accordance with all applicable laws, regulations, and contract provisions. All employees involved with such contracts are responsible to take adequate care to ensure that costs and other cost-related information are accurately recorded and that all information reported to the government is accurate and not misleading. Cost and pricing data included in proposals for government contracts and disclosed to the government in support of negotiations must be current, accurate, complete and not false or misleading. In addition, the specific laws and regulations relating to the submission, retention and disclosure of cost or pricing data used to support contract proposals and negotiations must be followed. It is C&D's policy to deliver product to the government that strictly complies with all contract requirements. Product substitutions may not be made, except as authorized by waivers, deviations or other contractually permitted procedures.

Federal laws and regulations govern the employment of former U.S. military officers or U.S. government employees, either directly or as consultants. Also, the circumstances under which preemployment discussions may be conducted are regulated. Therefore, before any action is undertaken to discuss employment by C&D of former government employees, guidance should be obtained from the Legal Department. In the event that a former government employee ultimately becomes a consultant or employee of C&D, applicable restrictions will be observed.



POLITICAL CONTRIBUTIONS

All direct or indirect political contributions from Company funds are prohibited in the United States and abroad without the express written consent of the President/CEO. Such contributions include purchasing tickets for special dinners or other fund-raising events, loaning employees to political parties or committees, furnishing transportation or special duplicating services and any other contribution of funds or services. If you participate in political events, be sure it is made clear that you are acting in your personal capacity and not as a representative of C&D.

C. Personal Conduct

CONFLICT OF INTEREST

A conflict of interest exists when there is a conflict between an individual's obligation to the Company and self-interest. Employees should avoid any situation in which his or her personal interests conflict with those of the Company. A good general rule is to avoid any action or association that would be embarrassing to you or the Company if it were disclosed to the public, or that may compromise or unduly influence your business judgment in carrying out your duties as a C&D employee.

An employee should not own a **significant financial interest** in any business organization that does or seeks to do business with C&D or that is a competitor of C&D. This applies also to members of your family.

Typically, unless a written agreement you have with C&D contains more stringent obligations, a C&D employee or **family member** of an employee may own such an interest if:

- The interest has been fully disclosed in writing to a senior officer or member of the Board of Directors of the Company; and
- It has been determined that the employee's duties for the Company will not require making decisions that could be influenced by that interest.

Employees may not engage in any outside employment or other activities that could give rise to a conflict of interest, diminish the employee's performance, present an appearance of impropriety, or reflect adversely on the Company. An employee must disclose, in writing, any outside employment before engaging in such employment to allow the Company to determine, in its sole discretion, if such employment would violate Company policy.

Similarly, employees must disclose, in writing, to the President, Chief Executive Officer or Vice President, General Counsel, service on the board of directors of any public or private company before accepting such appointment to allow the Nominating/Corporate Governance Committee of the Board of Directors of the Company to determine, in its sole discretion, if such service could create any actual or potential conflict of interest.

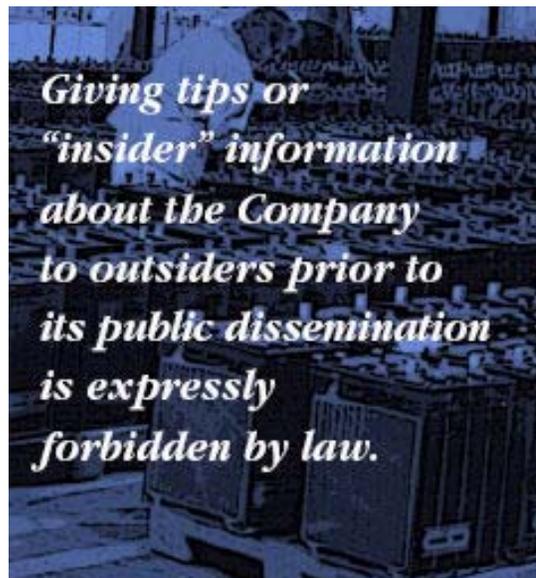
An employee may not divert, for personal gain, any business opportunity from which the Company may profit unless the Company validly decides to forego the opportunity.

BRIBES AND KICKBACKS

Bribes, kickbacks and other similar remuneration or consideration are illegal and unethical, and are strictly prohibited. Employees are also prohibited from using procedures that might conceal or facilitate **bribery, kickbacks**, or any other illegal or improper payment or receipt or which might support an inference of wrongdoing. These activities are improper and will not be condoned under any circumstances. They can subject the Company and the individual engaging in such activities to legal action, including criminal prosecution.

INSIDER TRADING

There are frequently occasions in which a director, officer, or employee of C&D becomes aware of insider information relating to the Company that has not been made public. In those instances, such a person may be prohibited during a specific time period from **trading** in the Company's stock or disclosing, directly

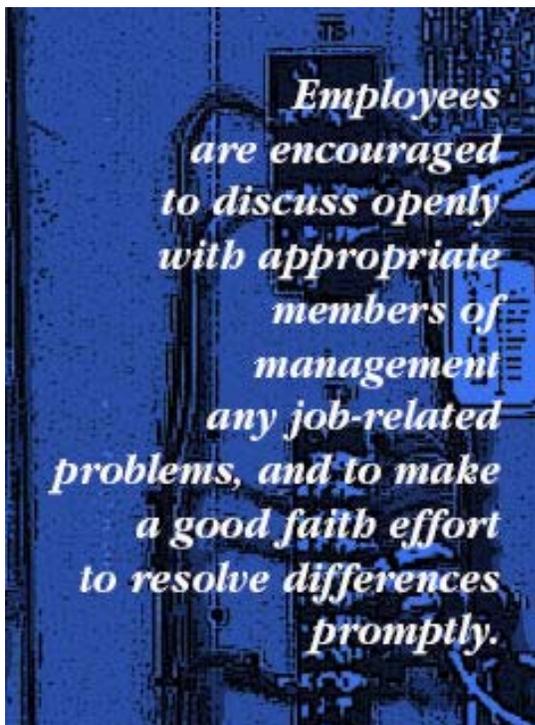


or indirectly, such information. Such a prohibition also pertains to securities of other publicly-held companies (e.g., a customer or supplier) about which an employee may have material non-public information.

It is a violation of the **insider trading** laws to:

- Purchase or sell securities while in possession of insider information regarding the Company
- Communicate insider information to another person who trades on the information or who passes the information on to another who trades (“tipping”)

Giving tips or **insider information** about the Company to outsiders, prior to its public dissemination, is expressly forbidden by law. Asking someone to purchase or sell stock in his or her name for you, or advising outsiders to purchase or sell based on **insider information** is also against the law. All those whose work provides them with access to such information must be careful to recognize the responsibilities associated with such **insider** status.



EMPLOYEE RELATIONS AND EQUAL EMPLOYMENT OPPORTUNITY

C&D recognizes that its greatest strength lies in the talent and ability of its employees. The Company is committed to maintaining a workplace in which C&D employees are treated with consideration and respect. Each of us will be held to the highest professional standards in our dealings with our colleagues at C&D. Disrespectful treatment of others in the workplace is never appropriate at C&D.

C&D is committed to adhering to lawful employment practices in recruitment, hiring, transfers, promotions, compensation, benefits and termination of employment. The Company encourages equal opportunity for all its employees and is committed to allowing employees to progress based on their talents. No employment decision may be based on an employee's or an applicant's race, color, religion, national origin, age, gender, disability, marital status, sexual orientation or veteran status. Any **employment discrimination** or **harassment** based on such status or characteristic is clearly against the law and Company policy.

It is a goal of C&D to foster an atmosphere of open, two-way communication with all of its employees regarding matters of mutual concern. Employees are encouraged to discuss openly with appropriate members of management any job-related problems, and to make a good faith effort to resolve differences promptly.

HARASSMENT

C&D wants all of its employees to work in an environment free from any form of sexual or other discriminatory **harassment**. **Harassment** includes, but is not limited to, conduct that has the purpose or effect of unreasonably interfering with an individual's employment, or creating an intimidating, hostile, abusive or offensive working environment. Any form of discriminatory conduct, whether in C&D's offices or in other work-related settings, is prohibited by law and Company policy.

Examples of prohibited **sexual harassment** include, but are not limited to, unwelcome sexual advances or conduct of a sexual nature; threatening adverse employment actions if sexual favors are not granted; unwanted or unnecessary physical contact; displays of sexually explicit materials; offensive remarks, including graphic or suggestive comments about an individual's body, appearance or dress; obscene jokes; or other inappropriate use of sexually explicit or offensive language.

Examples of the types of conduct that constitute discriminatory **harassment** include, but are not limited to, any form of communication or display of offensive material having stereotypical or discriminatory meaning; offensive stereotypical or discriminatory remarks or references; racial, religious, ethnic, or other stereotypical or discriminatory jokes or language; the display in the workplace of objects, drawings, or pictures that create an intimidating or hostile work environment; or any other unwelcome conduct of a stereotypical or discriminatory nature, such as name calling or racial, religious, or ethnic slurs or innuendoes.

If you believe you are being harassed, regardless of the job status of the harasser, we encourage you to firmly and promptly notify the person that the offensive behavior is unwelcome and that you want it to stop. We also recognize, however, that you may not wish to confront the harasser, and you are not obligated to do so.

It is imperative, in any event, that allegations of harassment are brought to the attention of the Vice President of Human Resources or the **Corporate Compliance Officer** so that C&D may promptly address the concerns raised. The Company will not tolerate any form of retaliation for the good faith reporting of harassment. These topics are covered in more detail in the Company's Policy Against Harassment as well as in Section IV below that sets forth the Reporting Resources available to employees.

COMPANY TIME

Work time is a valuable Company asset. C&D expects its employees to be on the job when scheduled and to use work time wisely to perform their jobs. Employees are required and expected to truthfully and accurately report time worked and lost time.

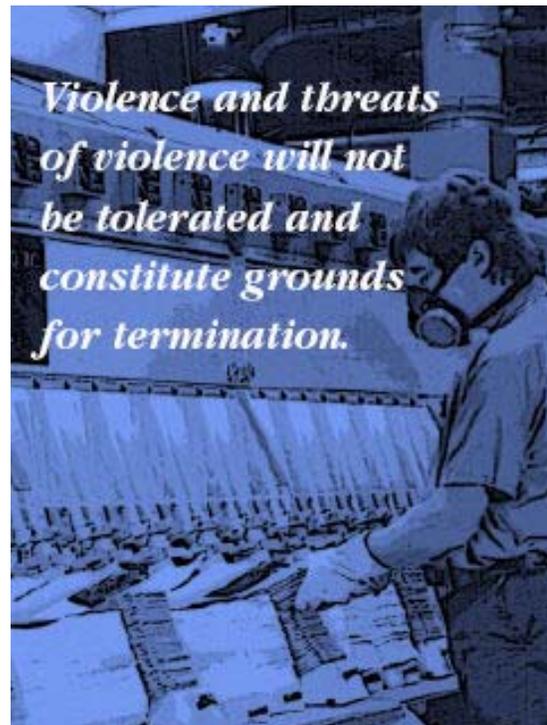
GAMBLING AND OFFICE POOLS

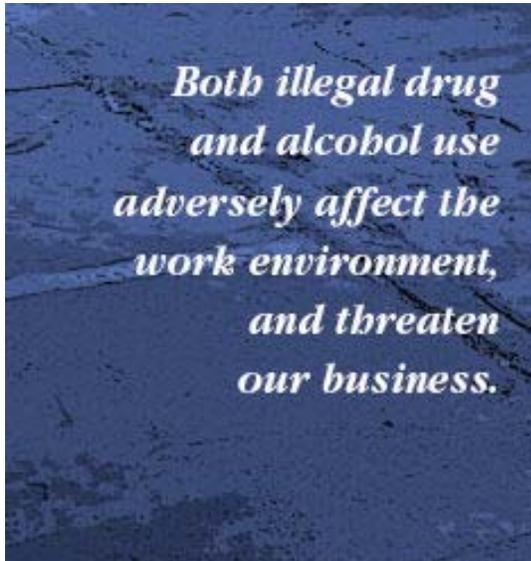
While friendly office betting pools surrounding sports events and similar activities may be commonplace in U.S. business environments, C&D believes that Company time and resources should not be used for those purposes. Employees should not engage in such activities on Company property or at any Company-sponsored event, nor may Company resources be utilized for such purposes. Communications pertaining to such activities or efforts to solicit participation should be reported immediately.

VIOLENCE-FREE WORKPLACE

C&D wants all of its employees to work in a safe environment. Therefore, any violence or threats of violence (i.e., behaviors that are likely to cause death, bodily harm, or reasonable fear of bodily harm) cannot be tolerated and constitute grounds for immediate termination of employment. The following list of behaviors, while not all-inclusive, represents examples of prohibited workplace behavior:

- Intentionally causing or attempting to cause physical injury to another person
- Assaulting or fighting with anyone on Company property, or threatening to do so
- Behaving in an aggressive or hostile manner, such that the behavior creates reasonable fear of injury to oneself or another person
- Possessing, using or threatening to use a firearm or other weapon while on Company property or while on Company business
- Intentionally damaging C&D property or the property of another C&D employee
- Threatening violence, either directly or indirectly, against any Company employee, contractor, customer, or supplier, or anyone else on Company property.





DRUG-AND ALCOHOL-FREE WORKPLACE

It is a long-standing policy of the Company that drug and alcohol abuse within the work environment is prohibited. Further, the use of illegal drugs and abuse of other controlled substances, on or off duty, is inconsistent with law-abiding behavior expected of all citizens. Employees have the right to work in an environment free of illegal drugs and alcohol, and to work with persons free from the effects of illegal drugs and alcohol. Both illegal drug and alcohol use adversely affect the work environment, and employee job performance, jeopardize the health and well-being of C&D's employees, undermine customer confidence and otherwise threaten our business.

C&D will comply with the requirements of the U.S. Drug-Free Workplace Act of 1988, the Drug-Free Work Force Rules promulgated by the United States Department of Defense and other laws and regulations developed by the

United States and other jurisdictions, as they may be applicable to C&D operations.

IV. Financial Employees' Ethics Guidelines

This section constitutes C&D's Code of Ethics as defined in item 406(b) of Regulation S-K. It applies to C&D's chief executive officer and all personnel of C&D and its subsidiaries and/or divisions serving in a finance, accounting, tax or investor relations role, including but not limited to C&D's chief financial officer, chief accounting officer and controller or persons performing similar functions. While it is recognized that no control system, no matter how well-designed and operated, can provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected, nonetheless, these individuals hold important roles in corporate governance and are expected to fulfill their responsibilities by adhering to these principles themselves and helping to ensure that a culture exists throughout the Company that promotes ethical conduct and compliance with applicable laws and regulations, and ensures the fair and timely reporting of Company financial results and condition, as well as other information required by Securities and Exchange Commission regulations.

Each individual covered by this Code of Ethics has the obligation to:

- a. Engage in and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Produce full, fair, accurate, timely and understandable disclosure in reports and documents that C&D or its subsidiaries files with, or submits to, the Securities and Exchange Commission and in other public communications made by C&D or its subsidiaries;
- c. Comply with applicable governmental laws, rules and regulations, as well as the rules and regulations of the New York Stock Exchange;
- d. Promptly report any possible violation of this Code of Ethics to the Corporate Compliance Officer and/or the Chairperson of the Audit Committee or any of the persons designated from time to time by C&D's Board of Directors for such purposes; and
- e. Refrain absolutely from directly or indirectly taking any action to fraudulently influence, coerce, manipulate or mislead C&D or its subsidiaries' independent public accountants for the purpose of rendering the financial statements of C&D or its subsidiaries misleading.

Each individual covered by this Code of Ethics will be held accountable for his or her adherence to it. Failure to observe the terms of this Code of Ethics may result in disciplinary action, up to and including termination of employment. Violations of this Code of Ethics may also constitute violations of law and may result in civil and criminal penalties for the Individual, his or her supervisors and/or C&D.

Reporting any possible violation of this Code of Ethics may be made anonymously. It is against Company policy to retaliate against any employee for good faith reporting of violations of this Code of Ethics. Questions regarding the best course of action in a particular situation should promptly be directed to the Corporate Compliance Officer. This section IV was adopted by the C&D Technologies Board of Directors on May 28, 2003.

V. Reporting Resources

The Company makes available a variety of reporting resources in the event that you become aware of a violation of the Code of Business Conduct, any law or regulation, or any of the Company's related policies and procedures, or if you have a good faith belief that such a violation may have occurred. It is your duty to promptly report what you have learned. If you receive notice of a violation of any law or regulation, whether verbally or in writing, you must notify the Legal Department, the Human Resources Department or the Environmental Health & Safety Department, as applicable, immediately.

Although it is preferred that you give your identity when you report a suspected violation, you may report anonymously by calling or writing to the Legal Department, the Human Resources Department or the Environmental, Health & Safety Department. A sufficiently detailed description of the facts of the matter should be provided in order to allow for an appropriate investigation.

No person who, in good faith, makes a report as provided under the Code of Business Conduct will be subject to retaliation because of a report he or she makes. Any C&D employee responsible for retaliation against an individual who in good faith makes such a report will be subject to disciplinary action, up to and including termination. However, no employee has the right to use the reporting avenues as a means to unjustly accuse or harass another or to mislead the Company. Accordingly, the submission of a report which is known to be false at the time such report is made constitutes a violation of the Code in itself, and will result in disciplinary action, which may include termination.

All reported violations will be treated confidentially to the extent practicable under the circumstances, except as may be necessary for the Company to fulfill its legal obligations. The **Corporate Compliance Officer** will coordinate investigations of reports with assistance from Company representatives or others, as appropriate. Employees are expected to fully cooperate in the investigation of any alleged violation of applicable laws or regulations, the Code, and the Company's related policies and procedures.

If the results of an investigation indicate that corrective action is required, C&D will decide what steps it should take to rectify the problem and to avoid its recurrence. Disciplinary action may include, but is not necessarily limited to, one or more of the following: warning, reprimand, probation, suspension, reduction or elimination of bonus or merit increase, demotion or immediate termination of employment. In appropriate cases, the Company may refer the matter for criminal prosecution, civil action and, as appropriate, may seek recovery of property and restitution of funds.

If you are a party to the violation, the fact that you report it, together with the degree of cooperation you display, will be given consideration by the Company in its investigation and any resulting disciplinary action, even in the case of intentional conduct.

If you believe a violation has occurred, please do not attempt to conduct your own investigation. Investigations may involve complex legal and business issues. Acting on your own may compromise the integrity of an investigation and adversely affect both you and the Company.

Resources available to employees for reporting purposes include the following:

- **Your Supervisor**
- **Others Up The Chain of Command for Your Position** (if for any reason you do not wish to discuss your concerns with your own supervisor)
- **The Person In Charge Of Your Location**
- **Human Resources Staff**
- **C&D's Corporate Compliance Officer**
- **The Legal Department**
- **Any Company Vice President**
- **The Chairperson of the Audit Committee** (as to complaints about accounting matters)

Any of the individuals serving in these various capacities are also available to listen to you and to advise you on the most appropriate course of action before you act. Please use them as resources to ask any question that you may have about your individual obligations and responsibilities under this Code of Business Conduct.

Waivers

Requests for a waiver of a provision of the Code of Business Conduct must be submitted in writing to the Legal Department for appropriate review, and an executive officer, director or appropriate Board Committee will decide the outcome. For conduct involving an executive officer, only the Board of Directors or the Audit Committee of the Board has the authority to waive a provision of the Code. The Audit Committee must review and approve any "related party" transaction as defined in Item 404 of Regulation S-K, promulgated by the SEC, before it is consummated. In the event of an approved waiver involving the conduct of an executive officer, appropriate and prompt disclosure must be made to the Company's stockholders as required by SEC or other applicable listing standards of any stock exchange on which the Company's Common Stock is listed.

VI. Definitions of Terms

BOYCOTT	An agreement or understanding between two or more companies that they either will not sell to, or purchase from, another company or group of companies.
BRIBE	A gift given to influence the conduct of the receiver.
BRIBERY	Giving a gift (beyond customary courtesy) to influence the conduct of the receiver.
CORPORATE COMPLIANCE OFFICER	An executive officer of the Company who has responsibility to oversee the Corporate Compliance Program and to monitor adherence to its standards and procedures. The Board of Directors of C&D has assigned this responsibility to the Company's General Counsel.
CUSTOMARY COURTESY	Any nominal gift, privilege, service or other favor which: <ul style="list-style-type: none">A. is of sufficiently limited value and in a form that would not be construed as a bribe or payoff;B. is not contrary to applicable law and generally accepted ethical standards;C. is consistent with accepted business practice; andD. if publicly disclosed, would not result in embarrassment to the Company.
EMPLOYMENT DISCRIMINATION	A decision or action affecting employment that is based on an employee's or an employment applicant's race, color, religion, national origin, age, gender, disability, marital status, sexual orientation or veteran status.
FAMILY MEMBER	An individual's spouse, domestic partner, child, stepchild, parent, stepparent, brother, sister, grandparent, aunt, uncle, niece, nephew, in-law or other person of comparable relation and any person living in the same household as the individual.
FOREIGN OFFICIAL	Any officer or employee of a foreign government or any department, agency or instrumentality thereof, or any person acting in an official capacity for or on behalf of such government or department, agency or instrumentality. The term does not include an employee of a foreign government or any department, agency or instrumentality thereof whose duties are essentially ministerial or clerical. For purposes of compliance with the Foreign Corrupt Practices Act, officials of government-owned corporations are considered "foreign officials."
HARASSMENT	Conduct that has the purpose or effect of unreasonably interfering with an individual's employment, or creating an intimidating, hostile, abusive or offensive working environment.
INSIDER	A member of the board of directors, a corporate officer, corporate controller, general accounting manager and any accountant or other person with access to or responsibility for compiling or reviewing consolidated financial data (including officers, vice presidents and directors of the various divisions and subsidiaries and attendees at weekly corporate video sales meetings), administrative assistants to executive officers and other persons designated as "Insiders." It also includes the spouse of an insider and a family member of an insider who resides in the insider's household. A list of C&D insiders is maintained by the Company's Chief Financial Officer.

INSIDER INFORMATION

Financial, operational or other information which, if it were known to the general public, could influence the Company's stock price. In other words, it is information that a reasonable investor would consider material in deciding to buy or sell shares of the Company's stock. Information may be considered important or significant for this purpose even if it would not alone determine an investor's decision. Examples of insider information include a potential business acquisition, sales of substantial assets, significant write-offs or significant increases in reserves, internal financial information that departs in any way from what the market would expect, an important financing transaction, important product developments, the acquisition or loss of a major contract, significant litigation or government agency investigations or a significant impending change in management. This list is merely illustrative.

KICKBACK

A payment made to another in order to induce or improperly influence a transaction or receipt of benefit.

PROPRIETARY INFORMATION

Information, in whatever form, that belongs to a company including, but not limited to, business methods; trade secrets; patents; formulas; manufacturing processes; manufacturing equipment; proprietary compounds; inventions; financial data; marketing and strategic plans; customer lists and information; information about suppliers, subcontractors and joint ventures; pricing; costs; profits; key personnel information; and other information of a confidential or proprietary nature.

SEXUAL HARASSMENT

Any unwelcome or unwanted sexual attention, sexual advance, request for sexual favor, other verbal, visual or physical conduct of a sexual nature, or other offensive behavior directed toward an employee because of or on account of his or her gender, whether by a person of the opposite or same gender, when:

- A. submission to or rejection of such conduct by an individual is used as a basis or factor in decisions affecting the terms or conditions of employment of any individual;
- B. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- C. such conduct has the purpose or effect of unreasonably interfering with an individual's work performance; or
- D. such conduct creates an intimidating, hostile or offensive work environment.

SIGNIFICANT FINANCIAL INTEREST

Total interests of an employee and members of her or his family that amount to more than:

- A. 1% of any class of the outstanding securities of a firm or corporation; or
- B. 10% interest in a partnership or association; or
- C. 5% of the total direct and beneficial assets or income of that employee

TIPPING

Communicating insider information to another person who trades on the information or who passes the information on to another who trades.

TRADING

The purchase or sale of stock (shares) of a company, including the exercise of employee stock options. Trading also includes the buying or selling of puts or calls on a company's securities.