



CLEAN ENERGY SYSTEMS, INC.

CORPORATE PROCEDURE
ENVIRONMENTAL, HEALTH AND SAFETY
COMMITTEE CHARTER

CORPORATE POLICIES

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CORPORATE POLICY
ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE CHARTER



Clean Energy Systems, Inc.

Environmental, Health, and Safety Committee Charter

The Environmental, Health, and Safety Committee is a committee of the Board of Directors of Clean Energy Systems, Inc. Its charter was adopted by the board on March 31st, 2010.

I

Purpose

The purpose of the Environmental, Health and Safety Committee of the Board of Directors is to assist the board in discharging the board's responsibilities relating to the company's Environmental, Health, and Safety policy, procedures, and performance. It has direct responsibility to:

- Review environmental, health and safety regulations
- Review and approve company environmental, health and safety policies and emergency response plans
- Review environmental, health, and safety risks and ensure proper management of those risks.
- Review company compliance, performance and metrics regarding environmental, health, and safety regulations and matters, and drive continuous improvement and corrective actions to improve performance and compliance.
- Review the Environment, Health and Safety Committee Charter and make changes as necessary

In fulfilling its legal and fiduciary obligations, the Environmental, Health and Safety Committee's overall purpose is to ensure that the company's policies and procedures meet the obligations of the Board of Directors to achieve regulatory compliance and meet or exceed acceptable industry standards with respect to environmental, health, and safety matters. This includes review and monitoring on behalf of the Board of Directors matters involving:

CLEAN ENERGY SYSTEMS
CORPORATE POLICY
ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE CHARTER

- Environmental policies and obligations that might arise as a result of the business and operations of the company
- The policies and activities of the company as they relate to health, safety and occupational work standards in the workplace in which the company carries on business.

II

Structure

2.1 Membership

The committee consists of no fewer than three members of the board. The committee's members, including its chair, are appointed by the board. The board also may appoint one or more additional members of the board as alternate members of the committee to replace any absent member at any committee meeting.

Members of the committee are not required to be environmental, health and safety professionals and, consequently, some members or alternate members may not be expert in environmental, health and safety matters. At least one member of the committee should be a related director, for their industry knowledge and familiarity with the organization.

All committee members and alternate members serve at the pleasure of the board and any member or alternate member may be removed, with or without cause, by the board.

2.2 Power and Authority

In addition to the powers and responsibilities expressly delegated to the committee in this charter, the committee may exercise any other powers and carry out any other responsibilities from time to time delegated to it by the board. The committee also may conduct or authorize investigations into any matter within the scope of the duties and responsibilities delegated to the committee.

The powers and responsibilities delegated to the committee may be exercised in any manner the committee deems appropriate (including delegation to subcommittees) and without any requirement for board approval except as otherwise specified in this charter

CLEAN ENERGY SYSTEMS
CORPORATE POLICY
ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE CHARTER

or the board's delegation. Any decision by the committee, including any decision to exercise or refrain from exercising any of its delegated powers, is at the committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the committee may exercise all the powers and authority of the board and, to the fullest extent permitted by law, has the authority to determine which matters are within the scope of its delegated authority.

The committee has the authority to retain and compensate independent counsel, consultants and other experts and advisors and also may use the services of the corporation's regular counsel or other advisors to the corporation. The corporation will provide appropriate funding, as determined by the committee, for payment of compensation to any experts or advisors retained by the committee and for payment of ordinary administrative expenses of the committee.

2.3 Procedures

The committee will determine its own rules of procedure with respect to the call, place, time and frequency of its meetings. In the absence of such rules, the committee will meet at the call of its chair as appropriate to accomplish the purposes of the committee, but the committee will meet on a regularly scheduled basis at least once each quarter and periodically meet separately with management.

A majority of the members of the committee will constitute a quorum for the transaction of business. Notice of meetings of the committee will be given as provided in the corporation's bylaws.

Directors who are not members of the committee may attend and observe meetings of the committee, but shall not be entitled to vote. The committee may, at its discretion, include in its meetings members of management, professional personnel employed or retained by the corporation, or any other person whose presence the committee believes to be desirable and appropriate. Notwithstanding the foregoing, the committee may exclude from its meetings any non-member who it deems appropriate to exclude.

The chair of the committee will report on the committee's activities to the board at appropriate times and as otherwise requested by the chairman of the board.

2.4 Committee Secretary

The secretary of the corporation will act as the committee's secretary. The secretary will 1) attend all meetings and keep minutes of the committee's proceedings; 2) advise members of all meetings; 3) arrange with the committee chair or other convening authority for preparation and distribution of committee agenda and supporting material for each meeting; 4) at the direction of the committee chair, make logistical and other

CLEAN ENERGY SYSTEMS
CORPORATE POLICY
ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE CHARTER

arrangements for each meeting; and 5) carry out other functions as may be assigned from time to time by the committee.

III

Duties and Responsibilities

- 3.1** To be informed regarding the nature of environmental, health, and safety obligations that might arise as part of the business and operations of the company (including the identification and assessment of potential risks and problems and of environmentally or safety sensitive incidents).
- 3.2** To be informed regarding the health, safety, loss prevention, waste handling, and environmental regulations and standards of the industry in which the company operates.
- 3.3** To ensure the establishment by the company of systems and processes to carry out training in health and safety, loss prevention, environmental requirements, and effective communication amongst the parties involved.
- 3.4** To ensure compliance with applicable industry standards and regulations.
- 3.5** To ensure adequate emergency response plans for personnel protection, regulatory compliance and environmental protection are in place.
- 3.6** To receive periodic reports from the appropriate operating officers of the company regarding health, safety, loss prevention, environmental training and compliance.
- 3.7** To be advised of any matters of failure to comply with health, safety, and environmental policies where there may be a significant environmental impact or risk to personnel/public health or safety, regulations or standards and to consider and approve remedial action.
- 3.8** To review and report to the Board of Directors on the sufficiency of resources available for carrying out the actions and activities necessary to ensure the company's environmental, health, and safety objectives can be met.

CLEAN ENERGY SYSTEMS
CORPORATE POLICY
ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE CHARTER

IV

Communications from Shareholders, Employees and Others

Shareholders, employees and other interested persons who wish to communicate with the committee (including communicating complaints regarding the corporation's environmental, health and safety practices) may do so by writing to the committee care of the corporation's Corporate Secretary. Letters will be reviewed promptly by the Corporate Secretary and relayed promptly to the chair of the committee if the subject matter is within the duties of the committee, in a manner consistent with the screening policies adopted by the board. Members of the committee will be posted on the company website.

V

Committee Self-Evaluation and Charter Review

The committee will evaluate its own performance on an annual basis, including its compliance with this charter. It will also review this charter and provide the board with any recommendations for changes in the charter or in policies or other procedures governing the committee.

VI

Charter Availability

This charter will be posted on the corporation's investor website.