

GREEN EARTH TECHNOLOGIES, INC. - AUDIT COMMITTEE CHARTER

Organization

This charter governs the operation of the audit committee of **Green Earth Technologies, Inc.** (the "Company"). The committee shall review and reassess the charter at least annually and obtain the approval of the board of directors. The committee shall be appointed by the board of directors and shall comprise at least two directors, each of whom are independent of management and the Company. Members of the committee shall be considered independent if they have no relationship that may interfere with the exercise of their independence from management and the Company. All committee members shall be financially literate and at least one member shall have accounting or related financial management expertise.

Statement of Policy

The audit committee shall provide assistance to the board of directors in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to the Company's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the internal audit function, the annual independent audit of the Company's financial statements, and the legal compliance and ethics programs as established by management and the board. In so doing, it is the responsibility of the committee to maintain free and open communication between the committee, independent auditors, the internal auditors and management of the Company. In discharging its oversight role, the committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the power to retain outside counsel, or other experts for this purpose.

Responsibilities and Processes

The primary responsibility of the audit committee is to oversee the Company's financial reporting process on behalf of the board and report the results of their activities to the board. Management is responsible for preparing the Company's financial statements, and the independent auditors are responsible for auditing those financial statements. The committee in carrying out its responsibilities believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The committee should take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behavior.

A = Annually; Q = Quarterly; AN = As Necessary	Frequency			Planned Timing			
Financial Management (cont.)	A	Q	AN	Q1	Q2	Q3	Q4
Other matters (adequacy of staffing, succession planning, etc.)			x				
Executive session with management			x				
Independent Auditors							
Results of annual audit (including required communications)	x						
Results of timely quarterly reviews (including required communications) *		x					
Report on internal control weaknesses and other recommendations and management response	x						
Scope of interim reviews and annual audit and fees	x						
Required written communication and discussion of independence	x						
Other matters (adequacy of financial staff, succession planning, etc.)			x				
Executive session with independent auditors	x						
Other Members of Management							
Legal Matters (General or Outside Counsel)							
• Conflict of interest and ethics policies	x						
• Litigation status/regulatory matters			x				
Information systems matters (MIS Director or Controller)			x				
Risk management processes and assessment (Risk Management Advisor and CFO)			x				
Tax matters (Tax Accountants)			x				
Others			x				

A = Annually; Q = Quarterly; AN = As Necessary	Frequency			Planned Timing			
Audit Committee	A	Q	AN	Q1	Q2	Q3	Q4
Report results of annual independent audit to the board	x						
Recommend to the board the appointment of independent auditors	x						
Review annual proxy statement audit committee report and charter	x						
Evaluate audit committee effectiveness (i.e., self-assessment)	x						
Reassess the adequacy of the audit committee charter	x						
Approve audit committee meeting planner for the upcoming year and confirm mutual expectations with management and the auditors	x						
Approve minutes of previous meeting	x						
Report significant matters to the board		x					
Executive session of committee members	x						
Orientation of new members and continuing education (e.g., accounting and financial topics)			x				
Others matters			x				

* Note that the entire audit committee will conduct these reviews, however, the chair of the audit committee may represent the entire committee in order to facilitate conducting these reviews on a timely basis.