

October 24, 2008

BALQON CORPORATION
NOMINATING AND CORPORATE
GOVERNANCE COMMITTEE CHARTER

Purpose

The general purpose of the Nominating and Corporate Governance Committee (the “*Committee*”) of Balqon Corporation (“*Balqon*”) is to ensure that our Board of Directors (the “*Board*”) is properly constituted to meet its fiduciary obligations to shareholders and Balqon and that Balqon has and follows appropriate governance standards. To carry out this purpose, the Committee shall: (a) assist the Board by identifying prospective director nominees and to recommend to the Board nominees for election at each annual meeting of shareholders; (b) oversee the representation and monitor the effectiveness of, interpret and periodically review Balqon’s Corporate Governance Guidelines and develop and recommend to the modifications and/or additions to the Corporate Governance Guidelines; (c) review, on a regular basis, the overall corporate governance of Balqon and recommend improvements when necessary; (d) oversee the evaluation of the Board and management; and (e) recommend to the Board nominees for each committee of the Board.

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 delegated to it by the Board from time to time consistent with our Bylaws.

In discharging its role, the Committee is empowered to investigate any matter brought to its attention, including without limitation, any report of evidence of a (a) material violation of applicable U.S. federal or state securities laws, (b) material breach of fiduciary duty arising from any federal or state law, or (c) similar material breach of any such law, with all requisite access to all books, records, facilities and personnel of Balqon and with access to Balqon’s outside legal counsel and other advisors. All employees of Balqon shall be directed to cooperate with respect to any such investigation as requested by members of the Committee or its authorized representatives. The Committee has the power to retain separate outside counsel or other advisors, different from Balqon’s regular outside counsel and advisors, and will receive adequate funding from Balqon to engage such counsel and advisors. Such counsel and/or advisors shall report directly to the Committee. The Committee shall have concurrent authority with the Chairman of the Board and the Chief Executive Officer to retain, compensate, terminate and oversee director search firms and recruitment consultants for use in identifying, screening and reviewing qualified candidates to serve on the Board.

Membership

The Committee must consist of at least three members of the Board, unless the Board consists of four or less directors, in which case the Committee will consist of at least two members of the Board (or the entire Board may act as the Committee).

If Balqon is a listed company, the composition of the Committee must meet the independence requirements of the national securities exchange or national securities association on which Balqon's common stock then trades.

Until Balqon is listed on a national securities exchange or national securities association, the Board will make efforts to place directors on the Committee that meet the independence requirements of the National Association of Securities Dealers Automated Quotations ("*NASDAQ*").¹

The members of the Committee are appointed by and serve at the discretion of the Board.

Election. Members of the Committee are to be elected by the Board annually and shall continue as members until their successors are duly elected and qualified.

Chair of the Committee. The Board may appoint one member to serve as Chair of the Committee, to convene and chair all regular and special sessions of the Committee, to set agendas for Committee meetings, to determine and communicate to management and the full Board the information needs of the Committee, and to report Committee determinations and actions on behalf of the Committee to the full Board. If the Board fails to appoint a Chair of the Committee, the members of the Committee shall annually elect a Chair by majority vote of the full Committee to serve at the pleasure of the majority of the full Committee. The Chair of the Committee shall serve as Chair for not more than five consecutive years.

Committee Responsibilities and Authority

The following functions and responsibilities of the Committee are set forth as a guide for fulfilling the Committee's purposes, with the understanding that the Committee's activities may diverge as appropriate given the circumstances. The Committee is authorized to carry out these responsibilities, and other responsibilities assigned to it by the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purposes, the Committee shall:

- Establish, oversee the implementation and effectiveness of, modify as appropriate, and review Balqon disclosures concerning Balqon policies and procedures for identifying and reviewing Board nominee candidates, including: (i) the qualifications or criteria for Board nomination for election as a director; and (ii) policies and procedures relating to consideration of Board nominee candidates recommended by shareholders;
- In consultation with the Chairman of the Board and the Chief Executive Officer, identify, screen and review individuals qualified to serve as directors, consistent with qualifications or criteria approved by the Committee (including review of incumbent

¹ NASDAQ requires that director nominees must either be selected, or recommended for the Board's selection, either by a majority of, or a nominations committee comprised solely of "independent directors," as such term is defined in Section 4200(a)(15) of the NASDAQ Stock Market Rules.

- directors for potential re-nomination); and recommend to the Board candidates for (i) nomination for election and/or re-election by the shareholders at each annual meeting of shareholders; and (ii) any Board vacancies that are to be filled by the Board, subject to any contractual or other commitments of Balqon and to any limitations set forth in the Corporate Governance Guidelines of Balqon;
- In consultation with the Chairman of the Board and the Chief Executive Officer, review annually with the Board the composition of the Board as a whole, including whether the Board reflects the appropriate balance of independence, character, sound judgment, business experience, specialization and acumen, technical skills, and other desired qualities, including time commitment;
 - In consultation with the Chairman of the Board and the Chief Executive Officer, review periodically the size and needs of the Board and recommend to the Board any appropriate changes;
 - Coordinate and oversee the annual self-evaluation of the performance of the Board, its individual members, its committees and management;
 - Coordinate and oversee the independent director's annual evaluation of the Chief Executive Officer's performance and meet with the Chief Executive Officer to discuss the independent director's evaluation;
 - In consultation with the Chairman of the Board and the Chief Executive Officer, oversee the implementation, monitor the effectiveness of, interpret and periodically review the Corporate Governance Guidelines of Balqon, and develop and recommend to the Board modifications and or additions to Balqon's Corporate Governance Guidelines;
 - In consultation with the Chairman of the Board and the Chief Executive Officer, consider corporate governance issues that may arise from time to time and merit the attention of the Board, and develop appropriate recommendations for the Board;
 - Report regularly to the Board on Committee findings, recommendations and any other matters the Committee deems appropriate or the Board requests;
 - Review annually the compensation of the directors and review the corporate governance implications, if any, of any proposed changes in director compensation;
 - Conduct an annual self-evaluation of the performance of the Committee and its members, including its and their effectiveness and compliance with its Charter;
 - Review and assess the adequacy of this Charter at least annually, and otherwise as conditions dictate;
 - Consider policies relating to the Board and directors, including committee structure and size, equity ownership and retirements and resignations; and

- Review and discuss with management and approve any transactions or courses of dealing with related parties (e.g., including significant shareholders of Balqon, directors, corporate officers or other members of senior management or their family members) that are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties.

Committee Considerations

When considering a candidate for director, the Committee shall take into account a number of factors, including the following:

- independence from management;
- depth of understanding of technology, manufacturing, sales and marketing, finance and/or other elements directly relevant to the technology and business of Balqon;
- education and professional background;
- judgment, skill, integrity and reputation;
- existing commitments to other businesses as a director, executive or owner;
- personal conflicts of interest, if any; and
- the size and composition of the Board.

In addition, prior to nominating a sitting director for re-election at an annual meeting of shareholders, the Committee shall consider the director's past attendance at, and participation in, meetings of the Board and its committees and the director's formal and informal contributions to their respective activities.

The Committee shall consider candidates for director recommended by any shareholder that is the beneficial owner of shares representing more than one percent of the then-outstanding shares of common stock of Balqon and that has beneficially owned those shares for at least one year. The Committee will evaluate such recommendations applying its regular nominee criteria and considering the additional information set forth below. Eligible shareholders wishing to recommend a candidate for nomination as a director are to send the recommendation in writing to the Chairman of the Nominating Committee, Balqon, 1701 E. Edinger, Unit E-3, Santa Ana, California 92705. A shareholder recommendation must contain the following information:

- documentation supporting that the writer is a shareholder of Balqon and has been a beneficial owner of shares representing more than one percent of the then-outstanding shares of common stock of Balqon for at least one year and a statement that the writer is recommending a candidate for nomination as a director;
- a resume of the candidate's business experience and educational background that also includes the candidate's name, business and residence addresses, and principal

occupation or employment and an explanation of how the candidate's background and qualifications are directly relevant to the business of Balqon;

- the number of shares of common stock of Balqon beneficially owned by the candidate;
- a statement detailing any relationship, arrangement or understanding, formal or informal, between or among the candidate, any affiliate of the candidate, and any customer, supplier or competitor of Balqon, or any other relationship, arrangement or understanding that might affect the independence of the candidate as a member of our Board;
- detailed information describing any relationship, arrangement or understanding, formal or informal, between or among the proposing shareholder, the candidate, and any affiliate of the proposing shareholder or the candidate;
- any other information that would be required under Securities and Exchange Commission rules in a proxy statement soliciting proxies for the election of such candidate as a director; and
- a signed consent of the candidate to serve as a director, if nominated and elected. In connection with its evaluation, the Committee may request additional information from the candidate or the recommending shareholder and may request an interview with the candidate. The Committee shall have the discretion to decide which individuals to recommend for nomination as directors.

Meetings

The Committee shall meet at least once each year. However, the Committee may establish its own schedule, which it will provide to the Board in advance.

Minutes

The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

Reports

The Committee will provide written reports to the Board regarding recommendations of the Committee submitted to the Board for action, and copies of the written minutes of its meetings.