



Audit Committee Charter for the Solar Group

At its meeting on 15 October 2006, the Supervisory Board of Solar A/S decided to establish an Audit Committee. The present Audit Committee Charter was updated and approved by the Supervisory Board at its meeting on 26 January 2011.

The Audit Committee's responsibilities and authority are defined in the present Audit Committee Charter.

1. Preamble

1.1 The Audit Committee is a board committee charged exclusively with preparing decisions to be taken by the Supervisory Board.

1.2 Through the Audit Committee Charter, among others, the Supervisory Board ensures that the establishment of the audit committee does not result in situations where important information that should be provided to all members of the Supervisory Board only reaches members of the Audit Committee.

1.3 This Audit Committee Charter is reviewed, updated and approved annually by the Supervisory Board. Proposals for amendments may be made by the members of the Supervisory Board, including the members of the Audit Committee as well as Solar Group's Executive Board.

1.4 The Audit Committee is subject to the same confidentiality provisions as the Supervisory Board.

2. The Audit Committee's members

2.1 The Supervisory Board shall appoint members to the Audit Committee from among its members.

2.2 Members are elected for one year. The Group's Executive Board and the Internal Audit are responsible for providing new members with an appropriate introduction to the company's financial reporting, its internal control and risk management systems and other factors relevant to the Audit Committee's work.

2.3 The Committee shall consist of three members. Two members, therefore, will form a quorum.

2.4 At least one member shall be independent of the company and have qualifications in accounting or auditing.

2.5 Between them, the members of the Audit Committee shall have recent and relevant knowledge and experience of the financial aspects of listed companies as well as accounting and auditing matters.

2.6 The majority of the Audit Committee's members shall be independent.

2.7 The Board shall appoint the Chairman of the Audit Committee from among the independent board members.

2.8 To the extent deemed necessary, members are offered appropriate supplementary training. The Group's Executive Board and Internal Audit shall assist the Audit Committee by providing relevant news/articles within the areas under the Audit Committee's area of responsibilities on an ongoing basis.

3. Meeting attendance

3.1 Members of the Audit Committee are entitled and required to attend the Audit Committee's meetings.

3.2 To ensure the Committee's independence and objectivity, other members of the management may attend its meetings only by invitation of the Committee.

3.3 The Committee may invite or request employees and/or experts/specialists to attend its meetings.

3.4 At least once a year, the Audit Committee meets with the external auditors without the attendance of the Executive Board.

3.5 At least once a year, the Audit Committee meets with the Head of Internal Audit (the Audit Manager) without the attendance of the Executive Board.

4 The Audit Committee's meetings

4.1 Audit Committee meetings shall be called by the Audit Committee's Chairman or, in the absence of the Chairman, by one of the Committee's other members. The notice of the meeting shall be accompanied by an agenda.

4.2 The Group's Executive Board, external auditors or internal audit manager can call meetings of the Audit Committee.

4.3 The Audit Committee holds a minimum of four meetings per year.

4.4 Whenever possible, meetings are held prior to Supervisory Board meetings at which the Supervisory Board reviews and approves the annual and half-yearly reports.

4.5 Meetings of the Audit Committee are subject to the same confidentiality provisions that apply to the meetings of the Supervisory Board.

5 Powers of Decision etc.

5.1 The Supervisory Board authorises the Audit Committee to:

- Review, investigate and evaluate any conditions that lie within the scope of the Audit Committee Charter.
- Obtain necessary information from the group's employees. Employees are obliged to cooperate with the Committee and answer any questions that the Committee may deem relevant to its work.
- Obtain information from the company's elected auditor or from the internal auditors.
- Obtain advice, guidance and assistance from external legal advisors, accounting specialists and other advisors as it deems necessary or expedient for the performance of its functions.
- Solar A/S makes the appropriate resources and facilities available to the Audit Committee.

6 The Audit Committee's duties

The duties of the Audit Committee include:

6.1 Monitoring the financial reporting process.

- Monitoring the financial reporting, financial information etc. in the annual and half-year reports.
- Setting policies in key areas of importance to the financial reporting process for the Supervisory Board's approval.
- Assessing the policies in key areas relating to financial reporting that the Supervisory Board or Executive Board have approved and implemented.
- Assessing the procedures and internal controls and the reporting that together constitute the financial reporting process.
- Monitoring compliance with current legislation, including the Companies and Accounting Act and stock exchange requirements, standards, etc. for reporting (compliance).
- Assessing the management's report and the information given on the website.
- Assessing the accounting policies and any changes to accounting policies. Moreover, the committee should assess whether the accounting policies are appropriate and consistently applied (continuity).
- Assessing the appropriateness of the accounting policies in key areas and the recognition and measurement methods used in the context of significant and unusual transactions whose accounting treatment may be based on alternative accounting policies.
- Assessing unadjusted errors, including justification thereof, and that the errors, individually and collectively do not require adjustment.
- Assessing critical accounting estimates, changes to these and documentation hereof.
- Evaluating policies and procedures and transactions between the Solar Group (Solar A/S and affiliated companies) and the Executive and Supervisory Boards members - related transactions - if these transactions are not accepted as a normal part of the business.
- Assessing the overall presentation of the financial reporting in order to ensure that it is comprehensive and gives a true and fair view.
- Assessing significant changes to the annual report and/or any other financial information, including specific changes caused by the audit.

- Monitoring the extent to which the going concern assumption is relevant and justifiable to be used as a basis.

6.2 Monitoring the effectiveness of the company's internal control, internal audit and risk management systems.

6.2.1 The company's internal control system

- At least once a year to review and evaluate the internal control, and the management guidelines and the monitoring hereof in order to assess the controls' adequacy and/or possible weaknesses.
- Make recommendations to the Supervisory Board with a view to strengthening internal controls, including the adoption of policies, standards, instructions, etc.
- Monitor the Group's procedures for preventing and detecting fraud and make recommendations to the Supervisory Board with regard to strengthening procedures.
- Assess the Executive Board's ability to override controls or exercising improper influence of the financial reporting process.
- Evaluate the statement in the management's review and on the company's website regarding the main elements of the company's internal controls and risk management systems.
- Evaluate the statement in the management's review and on the company's website on corporate governance and corporate social responsibility.
- Report to the Supervisory Board on the committee's activities in connection with the processing of annual and half-year reports.
- Review reports from internal and external auditors about the company's internal controls.
- Make recommendations to the Supervisory Board on deficiencies, weaknesses, possible improvements etc. in relation to internal controls.

6.2.2 The company's risk management systems

At least once a year to review and assess the risk management systems established by the management as well as management guidelines and the monitoring thereof with a view to:

- Evaluating the risk management systems' appropriateness for the purpose of identifying and managing significant risks.
- Assessing possible breaches of the Supervisory Board's and/or Executive Board's agreed framework, instructions, policies, etc.
- Question the daily management, internal audit and external audit as regards material risks in relation to company's financial reporting.
- Make recommendations to the Supervisory Board with a view to strengthening the company's risk management systems.
- Evaluate the company's insurance terms.

6.2.3 Internal Audit

- Provide recommendations on the selection, appointment and/or dismissal of the Head of Internal Audit.
- Approve the internal audit department's budget.
- Advise on the internal audit's work programme.
- Receive and evaluate significant internal audit reports or periodic summaries.
- Monitor the independence of the Internal Audit.
- Monitor the Internal Audit's work, efficiency and collaboration with the organisation etc.
- Monitor the internal audit's collaboration with elected external auditors.
- Monitor the Executive Board's response to the Internal Auditor's findings and recommendations.

6.3 Monitor the statutory audit of financial statements, etc.

- Submit proposals to the Supervisory Board in relation to the audit agreement and the associated fee.
 - Be confident that the audit fee is appropriate in relation to a thorough and efficient audit in accordance with applicable regulations and standards.
 - Assess the external auditor's audit strategy and plan, etc. prior to starting the audit.
 - Evaluate the nature and scope (scoping) of the audit and planned materiality level.
 - Evaluate the audit team's staffing in key areas with regard to seniority/experience, expertise, use of specialists, etc
 - Review and discuss the outcome of the audit, including findings and conclusions based on a draft audit report entry. Initiate actions to resolve any discrepancies between the daily management and the external audit concerning the accounts presentation.
 - Monitor significant audit and accounting estimates.
 - Be informed about and review any material issues that the audit might give rise to, including significant, adjusted and non-adjusted errors.
 - Obtain explanations and justifications from the management as to why errors have occurred and why certain errors have not been adjusted.
 - Monitor management's response to recommendations in the external auditor's reporting to the management.
 - Review the draft audit report.
 - Evaluate the company's cooperation with the external auditor, e.g. by interviewing the auditor's key partners in the company.
- The auditor's resignation
- Investigate the circumstances surrounding the external auditor's resignation and submit recommendations on action to be taken as a result.

6.4 Monitor and control the auditor's independence cf. Auditors' Act § 24, including especially the provision of additional services to the company.

- Undertake a specific and critical assessment of the external auditor's independence, objectivity and competence, particularly by checking that the current guidelines for partner rotation are observed and by monitoring the size and composition of fees paid to the auditing firm. As part of the assessment, a written or oral report will be obtained from the external auditor describing the company's internal quality control procedures, the results of the quality control performed by the Danish Audit Supervisory Authority and/or internal quality control and all relationships between the independent auditor and the company.
- Establish procedures to ensure the auditor's independence.
- Approve the appointment of employees or former employees from the external audit to the extent that these employees have been involved in the auditing of Solar A/S and its affiliated companies.
- Evaluate to what extent relations between auditors, management and internal audit together are such that they do not impair the auditor's independence and objectivity.
- Submit proposals to the Supervisory Board relating to the general scope of the auditor's provision of non-audit services. The overall framework is to be approved by the Supervisory Board.
- Monitor the nature and extent of the external auditor's non-audit services with the aim of ensuring the auditor's independence and objectivity.

6.5 Recommendation to the Supervisory Board concerning the appointment of auditor

- Make recommendations to the Supervisory Board on the appointment of external auditors at the general meeting. The recommendation is based on an annual assessment of the auditor's and audit team's competence, independence, objectivity, quality, etc. The assessment should cover all aspects of the collaboration.

6.6 Assess/monitor other topics as requested by the Supervisory Board.

7. Reporting

7.1 Minutes

- Audit Committee meetings shall be minuted. These minutes shall be approved in the Audit Committee and then sent to the full Supervisory Board together with major presentations, appendices, etc. that have been reviewed at the meetings or have guided the committee's work.
- Minutes etc. shall also be sent to the external auditor and the Head of Internal Audit.
- The minutes shall reflect the views raised in the audit committee to ensure an adequate and fair basis upon which the full Supervisory Board can make decisions.

7.2 The Chairman of the Audit Committee shall:

- Report to the Supervisory Board on the committee's activities in connection with the monitoring of the financial reporting process, including the processing of the annual and half-year reports.
- Report to the Supervisory Board whether the committee's activities in relation to monitoring the Group's internal control system, internal audit and risk management systems function effectively.
- Report to the Supervisory Board on the committee's activities in relation to monitoring the statutory audit of financial statements, etc.
- Report to the Supervisory Board on the committee's activities in relation to monitoring and controlling the auditor's independence.
- Other conditions requested by the Supervisory Board

7.3 Annual Report

- The annual report contains information on the Audit Committee, including the committee's members, members' qualifications, number of meetings and a brief explanation of the committee's Audit Committee Charter.

7.4 Website

- The Group's website www.solar.eu contains information about the audit committee, including the committee's members, members' qualifications, number of meetings and a brief explanation of the committee's Audit Committee Charter.

7.5 General Meeting

- As board members, the Audit Committee's members take part in the company's general meetings.
- The chairman of the Audit Committee shall, at the request of the Chairman of the Supervisory Board, be available to respond to any shareholder questions on the committee's Audit Committee Charter and activities at the General Meeting.

8 Whistleblowing

- Evaluate whether to establish a whistleblowing function.
- Evaluate the company's policies and procedures for "whistleblowing" whereby employees and others can raise concerns, in confidence, about possible wrongdoing in financial reporting, internal control and / or other irregular matters.

9 Self-evaluation

- An annual self-evaluation of the committee's and its members' work is conducted. The self-evaluation will be sent by the committee's chairman to the Chairman of the Supervisory Board and form part of the Supervisory Board's own self-evaluation.

Presented and approved at the Supervisory Board meeting on 26 January 2011.

Supervisory Board

Jens Borum
(Chairman)

Peter Falkenham
(Vice Chairman)

Lars Lange Andersen

Kent Arentoft

Niels Borum

Remy Cramer

Bent H. Frisk

Preben Jessen

Jens Peter Toft