

Audit Committee Charter for the Solar Group

1. Introduction

- 1.1 The Audit Committee is a board committee that shall assist the Board of Directors in monitoring the financial reporting process. The Audit Committee is charged exclusively with preparing decisions to be taken by the Board of Directors.
- 1.2 The Audit Committee will not take on the responsibility that lies with the Executive Board or the Board of Directors according to the Companies Act, the Danish Financial Statements Act and other relevant legislation.
- 1.3 This charter and the Audit Committee's annual cycle of work are revised, updated, and approved annually by the Board of Directors. Amendments can be suggested by all members of the Board of Directors and the Executive Board.

2. The Audit Committee's duties

The Audit Committee's duties are specified in the committee's annual cycle of work and generally include:

- 2.1 Monitoring the financial reporting process, including monitoring compliance with existing legislation, standards and other regulations for listed companies concerning financial reporting and publication of financial reports as well as submitting recommendations or suggestions to safeguard integrity.
- 2.2 Informing the Board of Directors about the result of the statutory audit including the financial reporting process.
- 2.3 Monitoring if the company's internal control system, internal audit and risk management systems are working efficiently in relation to the financial reporting in the company without violating its independency.
- 2.4 Monitoring the efficiency of the company's combined risk management systems.
- 2.5 Monitoring the statutory audit of annual accounts, etc., as the result of the latest quality control of the auditing company is taken into consideration.
- 2.6 Monitoring uncertainties and risks, including in relation to the expectations for the ongoing year.
- 2.7 Resolving any discrepancies between the Board of Directors and the external auditors concerning the financial reporting.
- 2.8 Monitoring and verifying the auditor's independence, cf. § 24 of the Danish Act on Approved Auditors and Audit Firms, including especially the delivery of additional services to the Solar Group.
- 2.9 Being responsible for the process of selecting and nominating an auditor for election in accordance with article 16 of EU regulation 537/14.
- 2.10 Going over reports from internal and external parties regarding non-compliance with internal as well as external rules and policies (whistleblower function).

2.11 Assessing/monitoring other topics on request from the Board of Directors.

3. The Audit Committee's members

3.1 The Board of Directors appoints members to the Audit Committee from among its members. The committee consists of three members. Two members will form a quorum, of which at least one member must be independent.

3.2 Members are elected for one year at a time.

3.3 At least one of the Audit Committee's members must be independent and at least one of the independent members must possess accounting or auditing qualifications. Furthermore, the Audit Committee must have combined competences that are relevant to Solar's sector.

3.4 The Board of Directors appoints the chairman of the Audit Committee among the independent board members.

4. Meeting attendance

4.1 In addition to the Audit Committee's members, the following persons participate in the Audit Committee meetings:

- Solar's CFO
- Solar's Head of Internal Audit
- Solar's external auditor

Solar's CEO and CCO may also participate in the meetings.

4.2 Furthermore, the committee can invite or call in employees and/or experts/specialists for the meetings.

4.3 At least once a year, the Audit Committee must meet with the external auditors and the Head of Internal Audit, respectively, without the participation of the Executive Board.

4.4 The committee has a secretary associated, who is not a member and does not have voting rights.

5 The Audit Committee's meetings

5.1 Audit Committee meetings are called by the chairman of the Audit Committee or, in the absence of the chairman, by one of the other members of the committee. The notice of the meeting shall be accompanied by an agenda.

5.2 The group's Executive Board, external auditors or the Head of Internal Audit may call Audit Committee meetings.

5.3 There should be at least four Audit Committee meetings a year.

5.4 As far as possible, the meetings should be held in alignment with the presentation of accounts and the auditing procedures.

6 Powers of decision, etc.

6.1 The Board of Directors authorises the Audit Committee to:

- Review, investigate and evaluate any matters within the scope of the 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 and the internal auditors, respectively.
- Obtain advice, guidelines and assistance from external legal advisors, accounting specialists and other advisors when deemed necessary or expedient for the performance of the committee's duties.
- Solar makes the appropriate resources and facilities available to the Audit Committee.

7. Reporting

- 7.1 Minutes must be taken of the Audit Committee meetings. The minutes must be approved by the Audit Committee and afterwards sent to the entire Board of Directors, the external auditor and the Head of Internal Audit. The extent of the minutes should ensure an appropriate and fair basis for the total Board of Directors to make its decisions.
- 7.2 The annual report contains information about the Audit Committee, including the committee's members, the members' qualifications, number of meetings as well as a brief explanation of the committee's charter.
- 7.3 The group's website www.solar.eu contains information about the Audit Committee, including the committee's members, the members' qualifications, number of meetings and the committee's charter.
- 7.4 The chairman of the Audit Committee shall be available at the annual general meeting to, at the request of the chairman of the Board of Directors, respond to any questions concerning the committee's charter and activities.

8 Self-evaluation

- 8.1 The Audit Committee carries out an annual self-evaluation of the committee's work and members. The self-evaluation forms part of the Board of Directors' self-evaluation.

Presented and approved by the Board of Directors on 8 August 2018.

The Board of Directors

Jens Borum
(Chairman)

Ulf Gundemark
(Vice chairman)

Lars Lange Andersen

Peter Bang

Jesper Dalsgaard

Ulrik Damgaard

Bent H. Frisk

Louise Knauer

Jens Peter Toft