

**SOLAR ENERTECH CORP.**

**AUDIT COMMITTEE**

**AUDIT AND NON-AUDIT SERVICES PRE-APPROVAL POLICY**

---

**I. Purpose and Applicability**

Under the Sarbanes-Oxley Act of 2002 (the “Act”), the Audit Committee of the Board of Directors of Solar Enertech Corp. a Nevada corporation (the “Company”), is responsible for the appointment, compensation, retention and oversight of the work of the independent auditor. As part of this responsibility, the Audit Committee is required to pre-approve the audit and non-audit services performed by the independent auditor in order to assure that they do not impair the auditor’s independence from the Company. To implement these provisions of the Act, the Securities and Exchange Commission (the “SEC”) has issued rules specifying the types of services that an independent auditor may not provide to its audit client, as well as the audit committee’s administration of the engagement of the independent auditor. Accordingly, the Audit Committee has adopted, and the Board of Directors has ratified, this Audit and Non-Audit Services Pre-Approval Policy (the “Policy”), which (1) sets forth the types of audit and non-audit services to be performed by the independent auditor that the Audit Committee may pre-approve from time to time, and (2) sets forth the audit and non-audit services that may be performed by the independent auditor pursuant to pre-approval by a member of the Audit Committee to whom authority has been properly delegated, and the procedures and conditions for such delegation.

The Audit Committee may pre-approve any Audit, Audit-related, Tax and All Other services consistent with applicable law, rule and regulation at any Audit Committee meeting. The appendices to this Policy describe the Audit, Audit-related, Tax and All Other services that a member of the Audit Committee to whom authority has properly been delegated may pre-approve. The term of any type of service with respect to which pre-approval may be granted by a member of the Audit Committee to whom authority has been properly delegated is twelve (12) months from the date of the delegated member’s approval of the type of service, unless the Audit Committee considers a different period and states otherwise. The Audit Committee will periodically revise the list of pre-approved services, based on subsequent determinations.

**II. Delegation**

The Audit Committee may delegate authority to pre-approve audit or non-audit services to one or more of its members. The Audit Committee delegates authority to the Chairperson of the Audit Committee, subject to the other provisions of this subsection II. The Audit Committee may also delegate such authority to another member of the Committee by resolution. The Audit Committee does not delegate the Audit Committee’s responsibilities to pre-approve audit and non-audit services performed by the independent auditor to management. Any pre-approval authorized by the Chairperson or such other member of the Committee to whom authority has been delegated must specify clearly in writing the services and fees approved by such member. Any member to whom such authority is delegated shall report any pre-approval decisions made under such delegated authority to the Audit Committee at its next scheduled meeting.

### **III. Permitted Services**

#### **A. Audit Services**

The annual Audit services engagement terms and fees will be subject to pre-approval of the Audit Committee. Audit services include the annual financial statement audit (including required quarterly reviews), subsidiary audits, equity investment audits and other procedures required to be performed by the independent auditor to be able to form an opinion on the Company's consolidated financial statements. These other procedures include information systems and procedural reviews and testing performed in order to understand and place reliance on the systems of internal control, and consultations relating to the audit or quarterly review. Audit services also include the attestation engagement for the independent auditor's report on management's report on internal controls for financial reporting. The Audit Committee will monitor the Audit services engagement as necessary, and will also approve, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, Company structure or other items.

In addition to the annual Audit services engagement approved by the Audit Committee, the Audit Committee may grant pre-approval to other Audit services, which are those services that only the independent auditor reasonably can provide. Other Audit services may include statutory audits or financial audits for subsidiaries or affiliates of the Company and services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings.

All Audit services must be separately pre-approved by the Audit Committee or pursuant to delegated authority under Section II hereof. Appendix A sets forth the types of Audit services that a member of the Audit Committee to whom such authority has been delegated by resolution of the Audit Committee may pre-approve.

#### **B. Audit-related Services**

The Audit Committee may grant pre-approval to Audit-related services that are reasonably related to the performance of the audit or review of the Company's financial statements or that are traditionally performed by the independent auditor. Audit-related services include, among others, due diligence services pertaining to potential business acquisitions/dispositions; accounting consultations related to accounting, financial reporting or disclosure matters not classified as "Audit services"; assistance with understanding and implementing new accounting and financial reporting guidance from rulemaking authorities; financial audits of employee benefit plans; agreed-upon or expanded audit procedures related to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters; and assistance with internal control reporting requirements.

All Audit-related services must be separately pre-approved by the Audit Committee or pursuant to delegated authority under Section II hereof. Appendix B sets forth the types of Audit-related services that a member of the Audit Committee to whom such authority has been delegated by resolution of the Audit Committee may pre-approve.

#### **C. Tax Services**

The Audit Committee may grant pre-approval to those Tax services that have historically been provided by the auditor that the Audit Committee has reviewed and believes would not impair the independence of the auditor and that are consistent with the SEC's rules on auditor independence, including such Tax services as tax compliance, tax planning and tax advice. The Audit Committee will

not permit the retention of the independent auditor in connection with a transaction initially recommended by the independent auditor, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations.

All Tax services must be separately pre-approved by the Audit Committee or pursuant to delegated authority under Section II hereof. Appendix C sets forth the types of Tax services that a member of the Audit Committee to whom such authority has been delegated by resolution of the Audit Committee may pre-approve.

D. All Other Services

The Audit Committee may grant pre-approval to those permissible non-audit services classified as All Other services that it believes are routine and recurring services, would not impair the independence of the auditor and are consistent with the SEC's rules on auditor independence.

All Other services must be separately pre-approved by the Audit Committee or pursuant to delegated authority under Section II hereof. Appendix D sets forth the types of All Other services that a member of the Audit Committee to whom such authority has been delegated by resolution of the Audit Committee may pre-approve.

E. Prohibited Services

A list of the SEC's prohibited non-audit services is attached to this Policy as Appendix E. The SEC's rules and relevant guidance should be consulted to determine the precise definitions of these services and the applicability of the exceptions to certain of these prohibitions.

#### **IV. Supporting Documentation**

With respect to each proposed pre-approved service (whether to be pre-approved by the Audit Committee or the person to whom pre-approval authority has been delegated pursuant to Section II), the independent auditor, and/or the Chief Financial Officer or person performing similar services, will provide detailed back-up documentation regarding the specific services to be provided.

#### **V. Procedures for Pre-Approval**

A. The Audit Committee may pre-approve audit, audit-related, tax and other non-audit services that are subject to pre-approval in its discretion from time to time.

B. If, subsequent to the pre-approval of services by the Audit Committee, the Company would like to engage the independent auditor to perform a service not previously pre-approved, a request should be submitted by the Chief Financial Officer and/or the independent auditor to the Audit Committee Chairperson or person to whom pre-approval authority has been granted pursuant to Section II. If he or she determines that the service can be performed without impairing the independence of the auditor, then a discussion and approval of the service will be included on the agenda for the next regularly scheduled Audit Committee meeting. If the timing for the service needs to commence before the next regularly scheduled Audit Committee meeting, the Audit Committee Chairperson, or any other member of the Audit Committee to whom such authority has been delegated by resolution of the Audit Committee, can provide specific pre-approval, subject to Section II above.

C. Approval by the Audit Committee for the auditor to perform any non-audit service does not require that management engage the Company's independent auditor to perform those services. The

Company's management may engage other third parties to perform non-audit services for which the Audit Committee has given pre-approval to be performed by the independent auditor.

D. Once the Audit Committee or member of the Audit Committee to whom pre-approval authority has been delegated has given pre-approval for services to be performed by the independent auditor, the appropriate Company management may engage the auditor and execute any necessary documents for the performance of non-audit services within the scope of the pre-approval.

## **VI. Effective Date**

This Policy shall be effective immediately upon approval by the Audit Committee.

Appendix A

Audit Services

- Statutory audits or financial audits for subsidiaries or affiliates of the Company
- Services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings (e.g., comfort letters, consents), and assistance in responding to SEC comment letters
- Quarterly review services
- Consultations by the company's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard setting bodies (Note: Under SEC rules, some consultations may be "audit-related" services rather than "audit" services)

## Appendix B

### Audit-related Services

- Financial statement audits of employee benefit plans
- Agreed-upon or expanded audit procedures related to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters
- Internal control reviews and assistance with internal control reporting requirements
- Due diligence services pertaining to potential business acquisitions/dispositions
- Consultations by the company's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard-setting bodies; General assistance with implementation of the requirements of SEC rules or listing standards promulgated pursuant to the Sarbanes-Oxley Act
- Attest services not required by statute or regulation

Appendix C

Tax Services

- U.S. federal, state and local tax planning and advice
- U.S. federal, state and local tax compliance
- International tax planning and advice
- International tax compliance
- Review of federal, state, local and international income, franchise, and other tax returns
- Licensing [or purchase] of income tax preparation software from the independent auditor, provided the functionality is limited to preparation of tax returns

Appendix D

Other Services
<ul style="list-style-type: none"><li data-bbox="240 380 1338 443">• Risk management advisory services, e.g., assessment and testing of security infrastructure controls</li></ul>

## Appendix E

### Prohibited Non-audit Services

The Company may not engage the Auditor to provide the following non-audit services to the Company:

1. Bookkeeping or other services related to the accounting records or financial statements of the Company<sup>1</sup>
2. Financial information systems design and implementation<sup>1</sup>
3. Appraisal or valuation services, fairness opinions or contribution-in-kind reports<sup>4</sup>
4. Actuarial services<sup>1</sup>
5. Internal audit outsourcing services<sup>1</sup>
6. Management functions
7. Human resources
8. Broker-dealer, investment adviser or investment banking services
9. Legal services and expert services unrelated to the audit

---

<sup>1</sup> Provision of these non-audit services is permitted only if it is reasonable to conclude that the results of these services will not be subject to audit procedures. Materiality is not an appropriate basis upon which to overcome the rebuttable presumption that prohibited services will be subject to audit procedures because determining materiality is itself a matter of audit judgment.