

LIGHTING SCIENCE GROUP CORPORATION
AMENDED AND RESTATED AUDIT COMMITTEE CHARTER

This Amended and Restated Audit Committee Charter (“Charter”) sets forth the purpose and membership requirements of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) and establishes the authority and responsibilities delegated to it by the Board.

1. Purpose

The Committee has oversight of (i) the accounting and financial reporting processes of the Company, (ii) the integrity of the Company’s financial statements and disclosures, (iii) the Company’s compliance with legal and regulatory requirements, (iv) the qualifications and independence of the Company’s independent auditing firm (the “External Auditor”), (v) the performance of the Company’s internal audit function and External Auditor, and (vi) the Company’s internal control systems.

2. Committee Members

2.1 Composition and Appointment

The Committee shall consist of three or more members of the Board that meet the requirements specified in Section 2.2 below. The Board shall appoint the members and the Chairperson of the Committee on the recommendation of the Governance Committee. Membership on the Committee shall rotate at the Board’s discretion. The Board shall fill vacancies on the Committee and may remove a Committee member from the membership of the Committee at any time without cause.

2.2 Membership

Each member of the Committee must meet the independence requirements of the rules of The NASDAQ Stock Market LLC (“NASDAQ”) and applicable state and federal law, including the rules and regulations of the Securities and Exchange Commission (“SEC”), subject to any grace period, subject to any grace period from such requirements available to the Company under the rules and regulations of NASDAQ or the SEC.

Each member of the Committee must be financially literate or must become “financially literate” within a reasonable period of time after appointment to the Committee. For this purpose, “financially literate” is interpreted by the Board in its business judgment to mean the ability to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement.

At least one member of the Committee must be a “financial expert” to the extent required and as defined by the rules and regulations of the SEC.

3. Funding

The Committee shall have the authority to determine, on behalf of the Company, the compensation of the External Auditor for its services in rendering an audit report and any Advisors employed by the Company pursuant to Section 9. In addition, the Committee must determine the amount of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties, for which the Company must allocate appropriate funding.

4. Responsibilities of the Committee

4.1 Selection of External Auditor

Subject to stockholder ratification, if such ratification is required by applicable law or the certificate of incorporation or the bylaws of the Company, the Committee shall have sole responsibility for the appointment, retention, oversight, termination and replacement of the External Auditor and for the approval of all audit and engagement fees.

4.2 Evaluation of External Auditor

The Committee shall annually, following the completion of the Audit Reports and at such other times as it deems appropriate, evaluate the performance of the External Auditor, including a specific evaluation of the External Auditor's lead (or coordinating) audit partner having primary responsibility for the Company's audit.

4.3 Committee Pre-Approval

No audit services or non-audit services shall be provided to the Company by the External Auditor unless first pre-approved by the Committee and unless permitted by applicable securities laws and the rules and regulations of the SEC.

Pre-approval shall not be required for non-audit services provided by the External Auditor, if

- (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than the five percent of the total amount of revenues paid by the Company to the External Auditor during the fiscal year in which such non-audit services are provided;
- (ii) such non-audit services were not recognized by the Company at the time of the External Auditor's engagement to be non-audit services; and
- (iii) such non-audit services are promptly brought to the attention of the Committee and approved by the Committee prior to the completion of the audit.

The Committee may delegate to one or more members of the Committee the authority to grant pre-approval of non-audit services required by this Section. The decision of any member to whom such authority is delegated to pre-approve non-audit services shall be presented to the full Committee for its approval at its next scheduled meeting.

4.4 Review of Independence of External Auditor

The Committee shall periodically meet with management and the External Auditor to assess and satisfy itself that the External Auditor is "independent" in accordance with the rules and regulations of the NASDAQ and the SEC. The Committee shall annually obtain from the External Auditor a written statement delineating:

- (i) all relationships between the External Auditor and the Company that may impact the External Auditor's objectivity and independence;

- (ii) confirmation that none of the Company's CEO, controller, CFO, chief accounting officer, or any person serving in an equivalent position to any of the foregoing for the Company, was employed by such External Auditor and participated in any capacity in the audit of the Company during the one year period preceding the date of the initiation of the audit for which the External Auditor is engaged; and
- (iii) all the disclosures required by applicable requirements of the Public Company Accounting Oversight Board regarding the External Auditor's communications with the Committee concerning independence or any similar requirements to the extent applicable.

Prior to entering into an initial engagement with an independent auditing firm, the Committee shall obtain from the independent auditing firm a written statement delineating:

- (i) all relationships between the independent auditing firm and the Company that may impact the independent auditing firm's objectivity and independence; and
- (ii) any other disclosures required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditing firm's communications with the Committee concerning independence or any similar requirements to the extent applicable.

In addition, the Committee shall be responsible for:

- (a) actively engaging in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor;
- (b) ensuring the rotation of the lead (or coordinating) audit partner as required by law;
- (c) recommending to the Board policies for the Company's hiring of employees or former employees of the External Auditor who participated in any capacity in the audit of the Company; and
- (d) recommending that the Board take appropriate action in response to the External Auditor's report to satisfy itself of the External Auditor's independence.

4.5 Review of Conduct of Audit

The Committee shall review with the External Auditor its plans for, and the scope of, its annual audit and other examinations and discuss with the External Auditor the matters required to be discussed under Statement on Auditing Standards No. 61.

The Committee shall assess with management and the External Auditor any problems or difficulties encountered in connection with the audit process, including any restrictions on the scope of the External Auditor's activities or on access to requested information, any accounting adjustments that were noted or proposed by the External Auditor but that were passed (as immaterial or otherwise), any communications between the External Auditor's team assigned to

the Company's audit and the External Auditor's national office respecting auditing or accounting issues presented by the Company's audit, and any "management" or "internal control" letter issued, or proposed to be issued, by the External Auditor to the Company.

4.6 Disagreements with Management

The Committee shall periodically inquire of management and the External Auditor as to any disagreements that may have occurred between them relating to the Company's financial statements or disclosures. The Committee shall have sole responsibility for the resolution of any disagreements between management and the External Auditor regarding financial reporting.

4.7 Financial Statements and Disclosure Oversight

The Committee shall review with management and the External Auditor the following:

- (i) the reports required to be prepared by the External Auditor under Section 10A(k) of the Exchange Act regarding (a) all critical accounting policies and practices used by the Company and (b) all alternative treatments of the Company's financial information within the Generally Accepted Accounting Principles ("GAAP") that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the External Auditor;
- (ii) all significant changes to be made in the Company's accounting principles and practices;
- (iii) all "special-purpose" entities of the Company and all complex financing transactions involving the Company, including all related off-balance sheet accounting matters;
- (iv) prior to the filing by the Company with the SEC of any annual report on Form 10-K or any quarterly report on Form 10-Q, the financial statements and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein;
- (v) the Company's procedures with respect to press releases that contain information regarding the Company's historical or projected financial performance and the provision of any such information, earnings guidance or other financial information to a financial analyst or rating agency; and
- (vi) all other material written communications between the External Auditor and management, such as any management letter or schedule of unadjusted differences.

The Company's management is responsible for the preparation, presentation and integrity of the Company's financial statements and disclosures, and the External Auditor is responsible for auditing year-end financial statements and reviewing quarterly financial statements and conducting other procedures. It is not the duty of the Committee to certify the Company's financial statements, to guarantee the External Auditor's report or to plan or conduct audits. Since the primary function of the Committee is oversight, the Committee shall be entitled to rely on the expertise, skills and knowledge of management and the External Auditor and the accuracy of

information provided to the Committee by such persons in carrying out its oversight responsibilities. Nothing in this Charter is intended to change the responsibilities of management and the External Auditor.

4.8 Internal Audit Process

The Committee shall oversee the Company's internal audit function and review the plans for the internal audit activities.

4.9 Internal Controls and Compliance Policies

The Committee shall review and assess with management and the External Auditor the adequacy of the Company's internal control systems, the Company's policies on compliance with laws and regulations, and the methods and procedures for monitoring compliance with such policies, and shall recommend improvements of such controls, policies, methods and procedures.

The Committee shall review with management and the External Auditor, prior to its annual filing, the internal control report that is required to be filed by the Company with the SEC on Form 10-K. If such report is required by applicable securities laws, the Committee shall annually obtain from the External Auditor a written report in which the External Auditor attests to and reports on the assessment of the Company's internal controls made by the Company's management.

4.10 Risk Assessment and Risk Management

The Committee shall discuss guidelines and policies to govern the process by which risk assessment and risk management is undertaken by management. The Committee shall discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

4.11 Review of Other Matters

The Committee shall review recommendations made by the External Auditor and such other matters in relation to the accounting, auditing and financial reporting practices and procedures of the Company as the Committee may, in its own discretion, deem desirable in connection with the review functions described above.

5. Approval of Related Party Transactions

The Company shall not enter into a related party transaction unless such transaction is approved by the Committee after a review of the transaction by the Committee for potential conflicts of interest. A transaction will be considered a "related party transaction" if the transaction would be required to be disclosed under Item 404 of Regulation S-K.

6. Meetings of the Committee

6.1 Frequency of Meetings

The Committee shall meet at least once per fiscal quarter, or more frequently as it may determine necessary, to comply with the responsibilities as set forth herein. The Committee may request any officer or employee of the Company, the Company's outside legal counsel or the External Auditor to attend a meeting of the Committee or to meet with any members of, or advisors of the

Committee. The Chairperson of the Committee shall, in consultation with other members of the Committee, the External Auditor and the appropriate officers of the Company, be responsible for ensuring sufficient meetings of the Committee are held. The Chairperson may call a special meeting at any time he or she deems advisable.

6.2 Minutes

Minutes of each meeting of the Committee shall be kept to document the discharge by the Committee of its responsibilities.

6.3 Presiding Officer

The Chairperson of the Committee shall preside at all Committee meetings. If the Chairperson is absent at a meeting, a majority of the Committee members present at a meeting shall appoint a different presiding officer for that meeting.

6.4 Quorum

A majority of Committee members shall constitute a quorum. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee.

6.5 Executive Sessions

The Committee may meet periodically with management and the External Auditor in separate executive sessions to discuss any matter that the Committee, management or the External Auditor believe should be discussed privately.

7. Reports and Assessments

7.1 Proxy Statement Report

The Committee shall prepare an annual report as required by the rules and regulations of the SEC and submit it to the Board for inclusion in the Company's proxy statement prepared in connection with its annual meeting of stockholders.

7.2 Board Reports

The Committee shall report regularly to the Board and such report shall include any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's External Auditor and the performance of the Company's internal audit function. The Committee shall conduct and present to the Board an annual performance evaluation of the Committee.

7.3 Charter Assessment

The Committee shall annually assess, with assistance of management and outside legal counsel, the adequacy of this Charter.

8. Procedures for Receipts of Complaints

The Committee shall establish procedures for the receipt, retention, investigation and resolution of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.

9. Advisors

The Committee shall have the authority to retain, at the Company's expense, independent legal, financial and other advisors ("Advisors") it deems necessary to fulfill its responsibilities.

10. Investigations and Information

The Committee shall have the authority to conduct investigations that it deems necessary to fulfill its responsibilities. The Committee shall have the authority to require any officer, director or employee of the Company, the Company's outside legal counsel and the External Auditor to meet with the Committee and any of its Advisors and to respond to their inquiries. The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities.