

A large white geometric graphic on the left side of the page, composed of several interconnected lines forming a complex shape that resembles a stylized arrow or a series of nested triangles pointing to the right.

CORPORATE GOVERNANCE 2021

Corporate Governance 2021

Solar ser Komitéen for god Selskabsledelses anbefalinger december 2020 overordnet som et værdifuldt redskab til at sikre en forsvarlig ledelse, en god transparens for aktionærer og øvrige interessenter samt en effektiv risikostyring. Solar følger derfor grundlæggende de anbefalinger, der er relevante for selskabet.

ANBEFALINGERNE OMFATTER FØLGENDE HOVEDOMRÅDER

1 ● Samspil med selskabets aktionærer, investorer og øvrige interessenter

2 ● Bestyrelsens opgaver og ansvar

3 ○ Bestyrelsens sammensætning, organisering og evaluering

4 ○ Ledelsens vederlag

5 ● Risikostyring

SIGNATURFORKLARING

Ved hvert punkt i anbefalingerne er placeret en farvet cirkel. Farvelægningen af cirklen viser, hvorvidt vi vurderer, at Solars praksis svarer til anbefalingerne for god selskabsledelse.

ANBEFALINGER

Komitéen for god selskabsledelses anbefalinger december 2020

PRAKSIS

Solar A/S's praksis for selskabsledelse er godkendt af bestyrelsen den 9. februar 2022.

SIGNATUR

HOVEDPUNKTER

UNDERPUNKTER

Signaturen placeret ved hovedpunktet viser, at Solars praksis

Signaturen placeret ved underpunktet viser, at Solars praksis



Følger anbefalingerne på alle underpunkter

Følger anbefalingerne



Følger delvist anbefalingerne

Følger delvist anbefalingerne



Følger ikke anbefalingerne på nogle underpunkter

Følger ikke anbefalingerne

1

● Interaction with the company's shareholders, investors and other stakeholders

- 1.1 Communication with the company's shareholders, investors and other stakeholders
- 1.2 The general meeting
- 1.3 Takeover bids
- 1.4 Corporate Social Responsibility

1 Interaction with the company's shareholders, investors and other stakeholders

PRINCIPLES

The company's shareholders, investors and other stakeholders, including society, have a common interest in promoting the company's development and ensuring that the company is competitive and value-creating in the short as well as the long term.

Therefore, the management must ensure that the company in the short as well as the long term develops in an expedient manner.

It is therefore important that the interaction between management and shareholders, as well as with the company's investors and other stakeholders, including society, is well-functioning.

Corporate governance is, inter alia, about creating a framework, which renders it easy for shareholders, investors and other stakeholders to interact with the company's management. Openness and transparency are preconditions for shareholders, investors and other stakeholders being able to assess and consider the company and its future prospects on a current basis and for interacting with the company in a constructive manner.

PRAKSIS

Solar ønsker at opretholde en løbende dialog med selskabets aktionærer og øvrige interessenter herunder det omkringliggende samfund. Solar ønsker desuden at give en så rettidig og dækkende information om selskabets udvikling samt at have så stor åbenhed og gennemsigtighed som muligt afstemt med det nødvendige hensyn til selskabets konkurrencemæssige stilling.

Intentionen er at give et retvisende og til stadighed opdateret billede af selskabets position, økonomiske stilling og udviklingsmuligheder, og at denne information gøres samtidigt tilgængelig for alle selskabets interessenter.

Solar er af den opfattelse, at der på langt sigt er interessesammenfald mellem samtlige selskabets interessenter. Det er derfor selskabets ønske at fokusere på netop disse langsigtede interesser, der således er bestemmende for selskabets etik, politik og informationspraksis.

1.1

Communication with the company's shareholders, investors and other stakeholders

1.1.1

The Committee recommends that the management through ongoing dialogue and interaction ensures that shareholders, investors and other stakeholders gain the relevant insight into the company's affairs, and that the board of directors obtains the possibility of hearing and including their views in its work.

COMMENT

The board of directors' insight in the dialogue could for instance take place through feedback from meetings held with shareholders, investors and other stakeholders or through other regular reports from the executive management. The board of directors should, through its chairperson, ensure a good and constructive relationship with the shareholders.

In addition to dialogue with the shareholders, investors and other stakeholders, the company may also, if possible, consider to have a dialogue with, for instance, representatives of the shareholders' proxy advisors, i.e. in relation to institutional investors' voting.

PRAKSIS

Solar kommunikerer med aktionærerne på generalforsamlingen, via hyppige meddelelser over Nasdaq-Copenhagen på dansk og engelsk, via sin hjemmeside på adressen www.solar.eu samt webpræsentationer. Udover online audio webcasts i forbindelse med offentliggørelse af årsrapport og delårsrapporter deltager direktionen i roadshows, seminarer, investor og analytiker møder samt andre investor relations aktiviteter i såvel Danmark som udlandet.

Investor relations materiale gøres tilgængeligt på www.solar.eu, hvor Solars interessenter også har mulighed for at tilmelde sig et elektronisk

nyhedsbrev og derved modtage selskabsmeddelelser og pressemeddelelser på e-mail.

Bestyrelsen orienteres løbende om relevant input fra aktionærer, investorer og øvrige interessenter.

1.1.2

The Committee recommends that the company adopts policies on the company's relationships with its shareholders, investors and if relevant other stakeholders in order to ensure that the various interests are included in the company's considerations and that such policies are made available on the company's website.

COMMENT

The framework for the interaction with shareholders and investors may appear from an Investor Relations policy, describing, inter alia, which type of information the company must publish and in which languages, and how, when and to whom publication takes place. The framework for interaction with other stakeholders may also be described in a policy.

PRAKSIS

Solar betragter aktionærer, medarbejdere, kunder, leverandører, långivere og det omgivende samfund som væsentlige interessenter.

Solar har en Investor Relations politik, der omhandler selskabets dialog med aktionærerne. Solar har valgt at afsætte betydelige ressourcer til løbende information til og kontakt med investorer jf. anbefaling 1.1.1. Derudover har selskabet fastlagt en Code of Conduct, der præciserer selskabets og dets medarbejders adfærd og forpligtelser over for kunder, leverandører og samfund.

Solars bestyrelse har vedtaget politikker for

væsentlige områder herunder også en skattepolitik. Politikkerne er forankret i revisionsudvalget og er tilgængelige på www.solar.eu.

1.2 The general meeting

1.1.3

The Committee recommends that the company publishes quarterly reports.

COMMENT

Regular information to the market concerning the company's affairs creates openness and transparency. Regular announcements are not as comprehensive as quarterly reports and do not fulfil the recommendation.

1.2.1

The Committee recommends that the board of directors organises the company's general meeting in a manner that allows shareholders, who are unable to attend the meeting in person or are represented by proxy at the general meeting, to vote and raise questions to the management prior to or at the general meeting. The Committee recommends that the board of directors ensures that shareholders can observe the general meeting via webcast or other digital transmission.

1.2.2

The Committee recommends that proxies and postal votes to be used at the general meeting enable the shareholders to consider each individual item on the agenda.

COMMENT

In proxies and postal votes, shareholders should have the possibility of voting "for", "against" or "abstain" in respect of all items on the agenda.

As for the election of candidates, i.e. members to the board of directors and company auditor, the shareholders should have the option of voting "for", or "abstain" in respect of each candidate.

PRAKSIS

Solar offentliggør kvartalsrapporter.

PRAKSIS

Selskabets generalforsamling afvikles fysisk men med mulighed for webcast deltagelse via investorportalen. Pga. COVID-19 og forsamlingsforbud blev generalforsamlingen i 2021 afholdt fuldstændig digitalt uden mulighed for fysisk fremmøde.

PRAKSIS

Solars aktionærer har ved afgivelse af fuldmagt eller brevstemmer mulighed for at tage stilling til hvert enkelt punkt på dagsordenen herunder også til valg af bestyrelsesmedlemmer og til valg af revisor.

1.3 Takeover bids

1.3.1

The Committee recommends that the company has a procedure in place in the event of takeover bids, containing a “road map” covering matters for the board of directors to consider in the event of a takeover bid, or if the board of directors obtains reasonable grounds to suspect that a takeover bid may be submitted. In addition, it is recommended that it appears from the procedure that the board of directors abstains from countering any takeover bids by taking actions that seek to prevent the shareholders from deciding on the takeover bid, without the approval of the general meeting.

● PRAKSIS

Solar har etableret en beredskabsprocedure for overtagelsesforsøg. Hvis bestyrelsen får kendskab til, at et overtagelsestilbud vil blive fremsat, vil aktionærerne ifølge proceduren blive orienteret, ligesom en redegørelse for bestyrelsens stillingtagen efterfølgende vil blive offentliggjort. Overtagelsestilbuddet og bestyrelsens redegørelse drøftes med aktionærerne på en generalforsamling. Efter drøftelse på generalforsamlingen vil overtagelsestilbuddet blive sat til afstemning, således at aktionærerne reelt kan tage stilling jf. vedtægternes § 13.2.

1.4 Corporate Social Responsibility

1.4.1

The Committee recommends that the board of directors adopts a policy for the company's corporate social responsibility, including social responsibility and sustainability, and that the policy is available in the management commentary and/or on the company's website. The Committee recommends that the board of directors ensures compliance with the policy.

● PRAKSIS

Bestyrelsen har vedtaget en politik for samfundsansvar, og Solar har siden 2009 været tilmeldt FN's Global Compact-program. Solar har etableret et rapporteringssystem for CO₂-forbrug og har tilmeldt sig Carbon Disclosure Project. Solars Sustainability Report, hvor der rapporteres på ESG data og initiativer er tilgængelig på www.solar.eu.

Desuden har Solar etableret en etisk standard med tilhørende Code of Conduct, som alle medarbejdere skal efterleve i praksis. Alle koncerntaftaler med leverandører indeholder en klausul, hvor leverandørerne forpligter sig til at følge princip

COMMENT

The board of directors may consider whether the company should accede to national and international voluntary guidelines or similar initiatives. Information in this respect may be provided in the report in accordance with section 99 a of the Danish Financial Statements Act.

The board of directors should continuously ensure that the company complies with the corporate social responsibility policy, and the company should consider providing reports on its website on the development and any new measures within these areas on an annual basis.

perne for Global Compact.

1.4.2

The Committee recommends that the board of directors adopts a tax policy to be made available on the company's website.

COMMENT

In order to increase transparency in respect of the company's tax matters for shareholders, investors and other stakeholders, the board of directors may choose in the tax policy to provide greater insight into the company's tax matters than required under the law, for instance, in respect of the treatment of tax incentives, the use of tax planning, activities in so-called tax havens, payment of tax in countries in which the company operates (country-by-country reporting), etc.

In addition, the company may choose to describe, which matters the company will continuously report on in the future.

● PRAKSIS

Solar har en skattepolitik, der er godkendt af bestyrelsen, og er tilgængelig via www.solar.eu.

2

● The duties and responsibilities of the board of directors

- 2.1 Overall tasks and responsibilities
- 2.2 Members of the board of directors

2

The duties and responsibilities of the board of directors

PRINCIPLES

It is the responsibility of the board of directors to safeguard the company's and the shareholders' interests with care and with due consideration for the investors and other stakeholders.

The board of directors must ensure the value creation in the company in the short as well as in the long term and is responsible for the company's strategy and for following up on the implementation of the strategy. In addition to the statutory duties, the board of directors must ensure that the company possesses the required financial prerequisites and the competencies to reach its targets.

Reaching the company's strategic targets presupposes that the board of directors engages a competent executive management to handle the day-to-day management, that the board of directors determines the division of duties between the board of directors and the executive management, determines the duties and the employment terms of the executive management and that the board

of directors ensures that clear guidelines concerning responsibility, planning, follow-up and risk management are in place.

The board of directors supervises the executive management and determines the guidelines for executing the supervision. In supervising the executive management, the board of directors must ensure that the executive management continuously improves, and that members are retained or dismissed.

The chairperson organises, convenes and chairs meetings of the board of directors in order to ensure that duties are performed efficiently and pursues the best possible preconditions for performing the duties of the board of directors.

It may be expedient to organise the duties of the board of directors in an annual wheel in order to ensure that the board of directors addresses all the relevant duties on an annual basis.

PRAKSIS

Solars bestyrelse varetager den overordnede og strategiske ledelse af selskabet med henblik på at sikre værdiskabelsen i selskabet.

Bestyrelsen anser det som sit ansvar at sikre en kompetent ledelse, en klar organisation, effektive kontrol- og risikostyringsredskaber samt at fastlægge og følge op på strategiske mål under hensyntagen til finansielle muligheder og de ledelsesmæssige ressourcer i selskabet.

Bestyrelsens opgaver er organiseret i et årshjul.



2.1

Overall tasks and responsibilities

2.1.1

The Committee recommends that the board of directors in support of the company's statutory objects according to its articles of association and the long-term value creation considers the company's purpose and ensures and promotes a good culture and sound values in the company. The company should provide an account thereof in the management commentary and/or on the company's website.

COMMENT

The company's purpose will often take into account its relations to the shareholders, other stakeholders and society in order to contribute to attaining the company's statutory objects according to its articles of association and the long-term value creation.

The company's purpose is pursued on a daily basis through the company's culture and values, and the board of directors should ensure coherence between these.



PRAKSIS

Bestyrelsen forholder sig til Solars purpose og medvirker til at fremme god kultur og gode værdier. Solars purpose fremgår på selskabets hjemmeside www.solar.eu.

2.1.2

The Committee recommends that the board of directors at least once a year discusses and on a regular basis follows up on the company's overall strategic targets in order to ensure the value creation in the company.

COMMENT

When organising the strategy work and process the board of directors should have a real opportunity of defining and considering the company's targets and direction.

In addition to a plan for the value creation, the strategy process should include a consideration of whether the company's strategy adequately addresses the company's short-term and long-term opportunities and challenges, and whether the company possesses the required financial and managerial resources and competencies to execute the strategy.



PRAKSIS

Bestyrelsen medvirker til formulering og fastlæggelse af selskabets udviklings- og vækststrategier samt mål herfor. Dette behandles bl.a. på en årlig bestyrelseskonference. I forbindelse med bestyrelseskonferencen vurderer bestyrelsen ligeledes om de nødvendige kompetencer og finansielle ressourcer er til stede.

2.1.3

The Committee recommends that the board of directors on a continuously basis takes steps to examine whether the company's share and capital structure supports the strategy and the long-term value creation in the interest of the company as well as the shareholders. The Committee recommends that the company gives an account thereof in the management commentary.

COMMENT

For the purpose of this recommendation, share and capital structure means the share capital's size, denomination, any share classes and the voting rights attached to each share class, including any restrictions on the voting rights, the right to receive dividend, the ratio between self-financing and external financing, own shares, share buy-back, etc.



PRAKSIS

Solar vurderer løbende selskabets kapital- og aktiestruktur. Solar har en unoteret A aktieklasse med 10 stemmer pr. aktie og en aktieklasse, noteret på Nasdaq Copenhagen, med 1 stemme pr. aktie. A aktierne ejes af Fonden af 20. December, der pr. 31. marts 2021 havde 17,0 pct. af aktiekapitalen og 60,5 pct. af stemmerne, og således er selskabets majoritetsaktionær. Det er Solars opfattelse, at den nuværende ejerstruktur understøtter selskabets arbejde ud fra en langsigtet udviklings- og vækststrategi.

Til den løbende tilpasning af kapitalstruktur anvender selskabet udbetaling af udbytte.

~~aktietilbagekøb, salg af egne aktier samt kapitaludvidelse og nedsættelse.~~

2.1.4

The Committee recommends that the board of directors prepares and on an annual basis reviews guidelines for the executive management, including requirements in respect of the reporting to the board of directors.

COMMENT

The guidelines on the division of duties between the board of directors and executive management should provide the framework for the interaction between the board of directors and executive management, including, for instance, the powers to take actions and the division of responsibilities between the members of the executive management. If the board of directors and the executive management require special work procedures, approval of policies and powers, this should appear from the guidelines.



PRAKSIS

I forretningsorden for direktionen er indeholdt procedurer for direktionens rapportering til bestyrelsen. Forud for afholdelse af bestyrelsesmøder udsender direktionen de informationer, der skal behandles på mødet. Derudover foregår der løbende informationsudveksling mellem direktion og bestyrelse af alle væsentlige forhold. Bestyrelsen foretager en årlig vurdering af direktionens forretningsorden.

2.2

Members of the board of directors

2.2.1

The Committee recommends that the board of directors, in addition to a chairperson, appoints a vice chairperson, who can step in if the chairperson is absent and who can generally act as the chairperson's close sparring partner.

COMMENT

The rules of procedure of the board of directors may include a description of the chairperson's and the vice chairperson's duties and responsibilities.

PRAKSIS

Bestyrelsen har udpeget en næstformand, der bistår formanden ved særlige opgaver samt fungerer i tilfælde af bestyrelsesformandens forfald.

Retningslinjer for bestyrelsens og herunder også formandens og næstformandens ansvar og opgaver er beskrevet i bestyrelsens forretningsorden.

2.2.2

The Committee recommends that the chairperson in cooperation with the individual members of the board of directors ensures that the members up-date and supplement their knowledge of relevant matters, and that the members' special knowledge and qualifications are applied in the best possible manner.

PRAKSIS

I det løbende bestyrelsesarbejde trækkes der på de enkelte bestyrelsesmedlemmers særlige viden og kompetencer. Hvis der i forbindelse med drøftelse af resultatet af bestyrelseevalueringen vurderes at være behov for kompetenceudvikling, deltager bestyrelsesmedlemmerne efter aftale i relevante kurser og efteruddannelse.

2.2.3

The Committee recommends that if the board of directors, in exceptional cases, requests a member of the board of directors to take on special duties for the company, for instance, for a short period to take part in the daily management of the company, the board of directors should approve this in order to ensure that the board of directors maintains its independent overall management and control function. It is recommended that the company publishes any decision on allowing a member of the board of directors to take part in the daily management, including the expected duration thereof.

COMMENT

In order to preserve the proper division of duties between the chairperson, the vice chairperson, the remaining members of the board of directors and the executive management, an agreement for a member of the board of directors to take on special duties should include measures to ensure the division of duties.

PRAKSIS

Bestyrelsesformanden eller andre bestyrelsesmedlemmer deltager ikke i den daglige ledelse. Såfremt bestyrelsesformanden eller andre bestyrelsesmedlemmer undtagelsesvist og efter beslutning måtte anmode herom, vil anbefalingen til sikring af rolle- og ansvarsfordeling mellem bestyrelse og direktion blive fulgt.

3

○ The composition, organisation and evaluation of the board of directors

- 3.1 Composition
- 3.2 The board of director's independence
- 3.3 Members of the board of directors and the number of other managerial duties
- 3.4 Board committees
- 3.5 Evaluation of the board of directors and the executive management

3 The composition, organisation and evaluation of the board of directors

PRINCIPLES

The board of directors acts collectively and has a joint responsibility for performing the duties of the board of directors. The composition of the board of directors must enable the board of directors to manage duties relating to strategy, management and supervision/control. It is important that the board of directors manages its duties efficiently in a constructive dialogue with executive management and that the individual members of the board of directors always act independently without any conflict of interest.

Diversity (including age, gender or educational and commercial background) increases the quality of the work and the interaction on the board of directors and ensures diverse approaches to solving the tasks of the board of directors.

The board of directors determines the qualifications required on the board and continuously evaluates whether the composition and the qual-

ifications of the members, reflect the company's requirements for safeguarding the company's interests.

The evaluation of the board of directors is an important tool to ensure that the company has a competent, relevant, professional and active board of directors. It is therefore important that the board of directors on a current basis conducts self-evaluation and evaluates its cooperation with executive management, and that there is transparency in the process as well as the results of the evaluations. The evaluation should also include an evaluation of the chairperson's performance of his/her duties.

Pursuant to the Danish Companies Act, the board of directors will typically include employee representatives, and they should be evaluated in the same manner as the other members of the board of directors.

PRAKSIS

Solar finder det vigtigt, at bestyrelsen repræsenterer mangfoldighed i relation til kompetencer, alder og køn, samt at der ved frekvent udskiftning af medlemmer opretholdes en dynamisk balance mellem kontinuitet og fornyelse.

Solar har i overensstemmelse med den danske selskabslov medarbejdervalgte bestyrelsesmedlemmer, der deltager med samme rettigheder, pligter og ansvar som generalforsamlingsvalgte medlemmer. Selskabet lægger vægt på, at medarbejderrepræsentanterne indgår i bestyrelsesarbejdet på lige fod med de øvrige medlemmer.

3.1 Composition

3.1.1

The Committee recommends that the board of directors on an annual basis reviews and in the management commentary and/or on the company's website states

- which qualifications the board of directors should possess, collectively and individually, in order to perform its duties in the best possible manner, and
- the composition of and diversity on the board of directors.

COMMENT

Diversity includes, inter alia, age, gender or educational and commercial background.

PRAKSIS

Bestyrelsen vurderer én gang årligt, hvilke bestyrelsesmæssige kompetencer og erfaringer selskabet råder over og har behov for. Bestyrelsens kompetencebeskrivelse fremgår af ledelsesberetningen og er tilgængelig på Solars hjemmeside www.solar.eu.

Desuden indgår der i selskabets årsrapport information om bestyrelsesmedlemmernes alder, stilling, bestyrelsesposter, kompetencer og tidspunkt for indtræden i bestyrelsen.

3.1.2

The Committee recommends that the board of directors on an annual basis discusses the company's activities in order to ensure relevant diversity at the different management levels of the company and adopts a diversity policy, which is included in the management commentary and/or available on the company's website.

COMMENT

A diversity policy should focus on issues that strengthen the management's qualifications and competencies and support the company's future development.

In its policy, the company may explain how it actively works on increasing diversity, including the gender distribution at the different management levels in the company.

PRAKSIS

Selskabet ønsker mangfoldighed bl.a. i relation til køn og alder på alle niveauer i virksomheden, og mangfoldighed indgår som parameter ved stillingsbesættelser og forfremmelser. På koncernniveau ønskes tillige mangfoldighed i relation til de nationaliteter, selskabet opererer med. Selskabet prioriterer først og fremmest faglige og menneskelige kompetencer, men har vedtaget en politik for mangfoldighed i ledelsesorganer i Solar. Politikken indeholder bl.a. en målsætning om, at det underrepræsenterede køn skal udgøre 40% af bestyrelsen efter Solars generalforsamling i 2023.

Desuden indeholder politikken et mål om, at det underrepræsenterede køn i alt skal udgøre 25% af

det øvre ledelseslag inden udgangen af 2025. Det øvre ledelseslag er defineret som Solar Group Management (SGM) og ledere på seniorniveau, dvs. vice-presidents eller directors, der refererer til et medlem af SGM.

3.1.3

The committee recommends that candidates for the board of directors are recruited based on a thorough process approved by the board of directors.

The Committee recommends that in assessing candidates for the board of directors – in addition to individual competencies and qualifications – the need for continuity, renewal and diversity is also considered.



PRAKSIS

Bestyrelsens sammensætning vurderes årligt af en repræsentant for selskabets hovedaktionær, Fonden af 20. December, sammen med to bestyrelsesrepræsentanter, herunder formanden for selskabets bestyrelse. Udvalget skal til bestyrelsen fremkomme med forslag til både genvalg og nyvalg af bestyrelsesmedlemmer. Udvalget kan søge bistand fra eksterne rådgivere og øvrige aktionærer. Udvalget skal varetage en række forberedende opgaver i forhold til sikring af, at den til enhver tid værende bestyrelse opfylder de af bestyrelsen fastlagte retningslinjer. Der lægges vægt på, at medlemmerne repræsenterer relevante kompetencer set i forhold til selskabets behov. Der søges til

stadighed sikret mangfoldighed og balance mellem kontinuitet og fornyelse i bestyrelsen.

Der er ikke tale om et bestyrelsesudvalg på samme måde som revisionsudvalget og vederlagsudvalget, og bestyrelsens opgaver i forhold til bestyrelsessammensætning er ikke ændret som følge af etableringen af udvalget. Et kommissorium, der fastlægger retningslinjerne for nomineringsudvalgets sammensætning og opgaver, er tilgængelig via www.solar.eu.

3.1.4

The Committee recommends that the notice convening general meetings, where election of members to the board of directors is on the agenda - in addition to the statutory items - also includes a description of the proposed candidates'

- qualifications,
- other managerial duties in commercial undertakings, including board committees,
- demanding organisational assignments and
- independence.

COMMENT

The notice convening the general meeting may describe the recruiting criteria, which the board of directors has attached importance to, including the required professional and personal qualifications, trade experience, diversity, etc.



PRAKSIS

Med indstillingen af bestyrelseskandidater fra nomineringsudvalget følger en beskrivelse af de enkelte kandidaters baggrund og kompetencer. I forbindelse med fremsættelse af forslag til bestyrelsens sammensætning oplyses endvidere kandidaternes øvrige ledelseshverv og oplysning om deres afhængighed/uafhængighed.

3.1.5

The Committee recommends that members to the board of directors elected by the general meeting stand for election every year at the annual general meeting, and that the members are nominated and elected individually.



PRAKSIS

Alle generalforsamlingsvalgte bestyrelsesmedlemmer er på valg hvert år. Bestyrelsesmedlemmer opstilles og vælges individuelt.

3.2

The board of director's independence

3.2.1

The Committee recommends that at least half of the members of the board of directors elected in general meeting are independent in order for the board of directors to be able to act independently avoiding conflicts of interests.

In order to be independent, the member in question may not:

- be or within the past five years have been a member of the executive management or an executive employee in the company, a subsidiary or a group company,
- within the past five years have received large emoluments from the company/group, a subsidiary or a group company in another capacity than as member of the board of directors,
- represent or be associated with a controlling shareholder,
- within the past year have had a business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body in companies with similar relations) with the company, a subsidiary or a group company, which is significant for the company and/or the business relationship,

- be or within the past three years have been employed with or a partner in the same company as the company's auditor elected in general meeting,
- be a CEO in a company with cross-memberships in the company's management,
- have been a member of the board of directors for more than twelve years, or
- be closely related to persons, who are not independent, cf. the above-stated criteria. Even if a member of the board of directors does not fall within the above-stated criteria, the board of directors may for other reasons decide that the member in question is not independent.

COMMENT

The board of directors considers whether its individual members are independent based on the above-stated criteria. In the assessment, the board of directors should emphasise the facts rather than the formalities.

A member's lack of independence is not considered an issue as long as at least half of the board members elected by the general meeting are independent.

The fact that a member of the board of directors is elected with the votes of a controlling shareholder does not in itself imply that such member is non-independent.

If several members of the board of directors are associated with shareholders with significant influence, the board of directors should consider whether its composition is appropriate in terms of independence. The Committee assesses that as a starting point a shareholder with more than 20% of the voting rights is considered to have significant influence.

Closely related means spouses, relatives in ascending or descending lines, siblings, spouses of such persons or other persons who have had a particularly close relationship to one another.

The Committee does not find employee representatives to be independent.

3.2.2

The Committee recommends that members of the executive management are not members of the board of directors and that members retiring from the executive management does not join the board of directors immediately thereafter.

COMMENT

There should be an appropriate division of responsibilities and independence between the board of directors and the executive management. In addition, a newly appointed member of executive management should have the possibility of acting independently of the former executive member.

PRAKSIS

Bestyrelsen sammensættes i overensstemmelse med anbefalingerne således, at mindst halvdelen af de generalforsamlingsvalgte medlemmer er uafhængige.

PRAKSIS

Jf. anbefaling 3.1.3 indstiller nomineringsudvalget kandidater til Solars bestyrelse og tilsikrer i den forbindelse, at medlemmer af selskabets direktion ikke opstilles som kandidat til bestyrelsen.

3.3

Members of the board of directors and the number of other managerial duties

3.3.1

The Committee recommends that the board of directors and each of the members on the board of directors, in connection with the annual evaluation, cf. recommendation 3.5.1., assesses how much time is required to perform the board duties. The aim is for the individual member of the board of directors not to take on more managerial duties than the board member in question is able to perform in a satisfactory manner.

COMMENT

Since the workload in the individual companies varies, the Committee does not apply a "scoring system". Whether a board member has required time to perform the duties as a member of the board of directors must be based on an assessment of the specific board duties in the company and the individual member's other duties.

The assessment of whether the individual member has the required time should be based on whether the member is able to contribute actively to the work on the board of directors, is well-prepared at meetings and has the necessary time available for the work on the board of directors.

3.3.2

The Committee recommends that the management commentary, in addition to the statutory requirements, contains the following information on the individual members of the board of directors:

- position, age and gender,
- competencies and qualifications relevant to the company,
- independence,
- year of joining the board of directors,
- year of expiry of the current election period,
- participation in meetings of the board of directors and committee meetings,
- managerial duties in other commercial undertakings, including board committees, and demanding organisational assignments, and

- the number of shares, options, warrants, etc. that the member holds in the company and its group companies and any changes in such holdings during the financial year.

COMMENT

It is relevant to disclose each member's participation in meetings of the board of directors and board committees given that participation in such meetings indicates whether the individual member has sufficient time for the board duties in the company.

Physical attendance should be the norm, but participation may also take place through digital means.

PRAKSIS

Det enkelte medlem forventes at vurdere, om hverv i andre selskaber har et passende omfang, og om arbejdsbyrden i bestyrelsen er forenelig med øvrige hverv.

PRAKSIS

Solars årsrapport og Solar-koncernens hjemmeside www.solar.eu indeholder en beskrivelse af bestyrelsesmedlemmernes ledelsehverv herunder bestyrelsesposter, kompetencer og hvorvidt medlemmet betragtes som afhængig/uafhængig. Bestyrelsesmedlemmer i Solar får ikke tilbudt aktieoptioner, tegningsretter, favoraktier eller andre incitamentsordninger.

I årsrapporten angives det antal aktier, som bestyrelsesmedlemmer ejer i Solar og koncernforbundne selskaber, samt de ændringer, som er indtrådt i løbet af regnskabsåret.

I årsrapporten oplyses desuden hvor mange bestyrelses- og udvalgs møder det enkelte medlem

har deltaget i, tidspunktet for bestyrelsesmedlemets indtræden i bestyrelsen, og at alle generalforsamlingsvalgte bestyrelsesmedlemmer er på valg hvert år.

3.4

Board committees

Establishing board committees may increase efficiency and improve the overall quality of the board of directors' work. Board committees are committees set up by the board of directors for a specific purpose and the members who sit on these committees are chosen among the members of the board of directors.

Board committees should solely have a preparatory function prior to the board of directors' consideration of and decision on a matter. As a result, all significant information should not solely be received by the board committee but should be submitted to all members of the board of directors, nor should the board of directors restrict or omit matters for consideration and decision by the board of directors.

Consequently, the board of directors remain responsible for decisions prepared by a board committee.

The Committee recommends that the board of directors, in addition to the statutory audit committee, as a minimum establishes a nomination committee and a remuneration committee. If the company is particularly exposed, or if other circumstances render it relevant for the company to set up additional permanent committees, the board of directors should consider this. This may also contribute to optimising the use of special competencies on the board of directors. Examples of other permanent committees may be a research and development committee, a conduct and compliance committee or a risk committee.

In order to ensure the required focus and time spent on a particular assignment, the board of directors may elect to set up an ad hoc committee to handle important assignments or matters that may be of a temporary nature, for instance, for the purpose of addressing reputational issues, negotiating large acquisitions or responding to takeover bids. The recommendations do not cover such *ad hoc* board committees.

PRAKSIS

Særlige bestyrelsesudvalg ud over et revisionsudvalg og et vederlagsudvalg nedsættes kun i forbindelse med ekstraordinære opgaver. Den samlede bestyrelse deltager i behandlingen af alle øvrige forhold, idet det vurderes, at behandling sker mest hensigtsmæssigt her henset til selskabets og problemstillingerenes begrænsede kompleksitet.

Derudover har bestyrelsen etableret et forum for

~~dialog med hovedaktionæren om den fremtidige bestyrelsessammensætning og har fastsat et kommissorium, der fastlægger retningslinjerne herfor. Dette nomineringsudvalg er dermed ikke et bestyrelsesudvalg på samme måde som revisionsudvalget og vederlagsudvalget, jf. anbefaling 3.4.4.~~

3.4.1

The Committee recommends that the management describes in the management commentary:

- the board committees' most significant activities and number of meetings in the past year, and
- the members on the individual board committees, including the chairperson and the independence of the members of the committee in question.

In addition, it is recommended that the board committees' terms of reference are published on the company's website.



PRAKSIS

I ledelsesberetningen og på www.solar.eu indgår oplysning om revisionsudvalget og vederlagsudvalgets sammensætning, væsentligste opgaver samt antallet af møder i løbet af året. Der gives også oplysninger om medlemmernes særlige kvalifikationer og uafhængighed.

Kommissorium for hhv. revisionsudvalg og

vederlagsudvalg er tilgængeligt på www.solar.eu ligesom nomineringsudvalgets kommissorium, selv om nomineringsudvalget ikke er et bestyrelsesudvalg på samme måde som revisionsudvalget og vederlagsudvalget, jf. anbefaling 3.4.4.

3.4.2

The Committee recommends that board committees solely consist of members of the board of directors and that the majority of the members of the board committees are independent.

COMMENT

It is the Committee's view that the board committees should solely consist of members of the board of directors having a broad knowledge and understanding of the company's overall position.

This does not prevent the board committees from engaging professional advisors (e.g. legal assistance) and obtaining input from specific stakeholders (e.g. the shareholders).



PRAKSIS

Revisionsudvalget og vederlagsudvalget består alene af bestyrelsesmedlemmer, og flertallet af disse er uafhængige.

3.4.3

The Committee recommends that the board of directors establishes an audit committee and appoints a chairperson of the audit committee, who is not the chairperson of the board of directors. The Committee recommends that the audit committee, in addition to its statutory duties, assists the board of directors in:

- supervising the correctness of the published financial information, including accounting practices in significant areas, significant accounting estimates and related party transactions,
- reviewing internal control and risk areas in order to ensure management of significant risks, including in relation to the announced financial outlook,
- assessing the need for internal audit,

- performing the evaluation of the auditor elected by the general meeting,
- reviewing the auditor fee for the auditor elected by the general meeting,
- supervising the scope of the non-audit services performed by the auditor elected by the general meeting, and
- ensuring regular interaction between the auditor elected by the general meeting and the board of directors, for instance, that the board of directors and the audit committee at least once a year meet with the auditor without the executive management being present.

If the board of directors, based on a recommendation from the audit committee, decides to set up an internal audit function, the audit committee must:

- prepare terms of reference and recommendations on the nomination, employment and dismissal of the head of the internal audit function and on the budget for the department,
- ensure that the internal audit function has sufficient resources and competencies to perform its role, and
- supervise the executive management's follow-up on the conclusions and recommendations of the internal audit function.

COMMENT

If the board of directors chooses to anchor the whistleblower scheme with the audit committee, cf. the comment on recommendation 5.1.2., this also becomes a task with which the committee assists the board of directors.



PRAKSIS

Solar har et revisionsudvalg, der forbereder bestyrelsens behandling af revisions- og regnskabsmæssige forhold. Revisionsudvalget sammensættes blandt bestyrelsens medlemmer, så udvalget råder over den nødvendige sagkundskab og erfaring, herunder kendskab til regnskabs- og revisionsforhold for børsnoterede selskaber. Bestyrelsesformanden kan ikke være formand for revisionsudvalget. Udover de i lovgivningen fastlagte opgaver bistår revisionsudvalget bestyrelsen med overvågning af rigtigheden af finansielle oplysninger og rapporterer til bestyrelsen vedrørende regnskabspraksis, væsentlige regnskabsmæssige skøn, evt. transaktioner mellem nærtstående parter samt usikkerheder og risici.

Revisionsudvalget vurderer årligt, hvorvidt der fortsat er behov for intern revision.

Revisionsudvalget forestår evalueringen af den generalforsamlingsvalgte revisor og gennemgår årligt revisionsaftalen, ligesom revisionsudvalget fører tilsyn med grænserne for ikke-revisionsydelse.

I revisionsprotokollatet rapporterer revisor løbende omfang og resultat af det udførte arbejde. Revisionsprotokollatet fremlægges på hvert bestyrelsesmøde til drøftelse og godkendelse. Revisor deltager i det bestyrelsesmøde, hvor årsrapporten godkendes. Der

udover deltager revisor i bestyrelsesmøder, når der er behov herfor.

Revisionsudvalget mødes én gang årligt med henholdsvis den generalforsamlingsvalgte revisor og Internal Audit uden deltagelse af direktionen.

Ud over den lovbestemte eksterne revision har Solar en Internal Audit afdeling, der overvåger og efterprøver den interne kontrol af koncern og datterselskaber. Internal Audit deltager i alle revisionsudvalgets møder og rapporterer løbende til revisionsudvalget og bestyrelse.

Revisionsudvalget vurderer årligt Internal Audits arbejde og budgetter og følger løbende selskabets og direktionens opfølgning på anbefalinger fra Internal Audit.

Solar har etableret en whistleblower ordning, hvor såvel medarbejdere som øvrige interessenter fortroligt kan rapportere uregelmæssigheder. Rapporteringer fra whistleblower ordningen tilgår løbende bestyrelsen via revisionsudvalget.

3.4.4

The Committee recommends that the board of directors establishes a nomination committee to perform at least the following preparatory tasks:

- describing the required qualifications for a given member of the board of directors and the executive management, the estimated time required for performing the duties of this member of the board of directors and the competencies, knowledge and experience that is or should be represented in the two management bodies,
- on an annual basis evaluating the board of directors and the executive management's structure, size, composition and results and preparing recommendations for the board of directors for any changes,

- in cooperation with the chairperson handling the annual evaluation of the board of directors and assessing the individual management members' competencies, knowledge, experience and succession as well as reporting on it to the board of directors,
- handling the recruitment of new members to the board of directors and the executive management and nominating candidates for the board of directors' approval,
- ensuring that a succession plan for the executive management is in place,
- supervising executive managements' policy for the engagement of executive employees, and
- supervising the preparation of a diversity policy for the board of directors' approval.



PRAKSIS

Bestyrelsens sammensætning vurderes årligt af en repræsentant for selskabets hovedaktionær, Fonden af 20. December, sammen med to bestyrelsesrepræsentanter, herunder formanden for selskabets bestyrelse. Udvalget skal til bestyrelsen fremkomme med forslag til både genvalg og nyvalg af bestyrelsesmedlemmer. Udvalget kan søge bistand fra eksterne rådgivere og øvrige aktionærer. Udvalget skal varetage en række forberedende opgaver i forhold til sikring af, at den til enhver tid værende bestyrelse opfylder de af bestyrelsen fastlagte retningslinjer. Der lægges vægt på, at medlemmerne repræsenterer relevante kompetencer set i forhold til selskabets behov. Der søges til

stadighed sikret mangfoldighed og balance mellem kontinuitet og fornyelse i bestyrelsen.

Der er ikke tale om et bestyrelsesudvalg på samme måde som revisionsudvalget og vederlagsudvalget, og bestyrelsens opgaver i forhold til bestyrelsessammensætning er ikke ændret som følge af etableringen af udvalget. Et kommissorium, der fastlægger retningslinjerne for nomineringsudvalgets sammensætning og opgaver, er tilgængelig via www.solar.eu.

Ved besættelse af direktionsposter nedsættes temporære nomineringsudvalg blandt bestyrelsens medlemmer.

3.4.5

The Committee recommends that the board of directors establishes a remuneration committee to perform at least the following preparatory tasks:

- preparing a draft remuneration policy for the board of directors' approval prior to the presentation at the general meeting,
- providing a proposal to the board of directors on the remuneration of the members of the executive management,
- providing a proposal to the board of directors on the remuneration of the board of directors prior to the presentation at the general meeting,
- ensuring that the management's actual remuneration complies with the company's remuneration policy and the evaluation of the individual member's performance, and
- assisting in the preparation of the annual remuneration report for the board of directors' approval prior to the presentation for the general meeting's advisory vote.



PRAKSIS

Solar har nedsat et vederlagsudvalg. Vederlagsudvalget har tre medlemmer, herunder en formand, som er valgt af bestyrelsen blandt dens medlemmer. Vederlagsudvalget indstiller vederlagspolitik til bestyrelsens godkendelse forud for generalforsamlingen. Forhandlinger om ændringer i direktionens vederlag varetages af vederlagsudvalget efter mandat fra bestyrelsen. Vederlagsudvalget bistår med udarbejdelsen af den årlige vederlagsrapport.



3.5

Evaluation of the board of directors and the executive management

3.5.1

The Committee recommends that the board of directors once a year evaluates the board of directors and at least every three years engages external assistance in the evaluation. The Committee recommends that the evaluation focuses on the recommendations on the board of directors' work, efficiency, composition and organisation, cf. recommendations 3.1.-3.4. above, and that the evaluation as a minimum always includes the following topics:

- the composition of the board of directors with focus on competencies and diversity
- the board of directors and the individual member's contribution and results,
- the cooperation on the board of directors and between the board of directors and the executive management,

- the chairperson's leadership of the board of directors,
- the committee structure and the work in the committees,
- the organisation of the work of the board of directors and the quality of the material provided to the board of directors, and
- the board members' preparation for and active participation in the meetings of the board of directors.

COMMENT

It may be considered to have procedures in place for the evaluation of the board of directors, which as a minimum describes how the evaluation of the board of directors is founded with the entire board of directors, the frequency and scope of the evaluations, how the board of directors reports on the evaluations and how the board of directors optionally involves external assistance.

The evaluation may consist of an anonymous questionnaire focusing on the topics set out in the recommendation and subsequent individual interviews between the chairperson and the individual members during which feedback may be given based on the survey.

When the board of directors engages external advisors, interviews may be conducted with the individual members of the board of directors and the executive management.

The vice chairperson or another member of the board of directors should on behalf of the board of directors handle the feedback to the chairperson in respect of his/her performance.

A successful evaluation of the board of directors will identify the competencies, which the board of directors possesses and ought to possess in order for the company to develop. In light of this, the board of directors can identify requirements in respect of competencies, knowledge and diversity for prospective members of the board of directors.



PRAKSIS

~~Bestyrelsen evaluerer årligt arbejdet i bestyrelsen og samspillet mellem bestyrelse og direktion. Herunder evalueres bestyrelsesformandens ledelse af bestyrelsesarbejdet.~~

~~Evalueringen er baseret på en lang række spørgsmål dækkende alle temaer i bestyrelsesarbejdet. Spørgsmålene går igen år efter år for at afklare trends og justeres kun i sjældne tilfælde. Bestyrelsen finder, at dette gentagne format er at foretrække frem for lejlighedsvis ekstern bistand.~~

~~Bestyrelsesformanden forestår evalueringen, der~~

~~drøftes i bestyrelsen. Vurderes der at være behov for kompetenceudvikling, deltager bestyrelsesmedlemmerne efter aftale i relevante kurser og efteruddannelser.~~

~~I forbindelse med evaluering af bestyrelsens arbejde evaluerer bestyrelsen årligt udvalgsstrukturen og arbejdet i udvalgene.~~

3.5.2

The Committee recommends that the entire board of directors discusses the result of the evaluation of the board of directors and that the procedure for the evaluation and the general conclusions of the evaluation are described in the management commentary, on the company's website and at the company's general meeting.



PRAKSIS

Den samlede bestyrelse drøfter resultatet af bestyrelsesevalueringen. Processen og resultatet beskrives i ledelsesberetningen og er tilgængeligt på www.solar.eu, ligesom resultatet af evalueringen deles med nomineringsudvalget.

3.5.3

The Committee recommends that the board of directors at least once a year evaluates the work and results of the executive management according to pre-established criteria, and that the chairperson reviews the evaluation together with the executive management. In addition, the board of directors should on a continuous basis assess the need for changes in the structure and composition of the executive management, including in respect of diversity, succession planning and risks, in light of the company's strategy.



PRAKSIS

Bestyrelsen evaluerer løbende og derudover mindst én gang årligt direktionens arbejde og resultater i forhold til de opsatte forretningsmæssige mål. Samtidig vurderes, hvorvidt der måtte være behov for ændringer i direktionens struktur eller sammensætning, herunder også mangfoldighed og succesionsplaner.

Desuden evalueres samarbejdet mellem bestyrelse og direktion årligt efter en fastlagt procedure ved en formaliseret dialog mellem formand og direktion, og resultatet forelægges bestyrelsen.

4

○ Remuneration of management

- 4.1 Remuneration of the board of directors and the executive management

4 Remuneration of management

PRINCIPLES

In order to facilitate a better understanding and acknowledgement of the compensation package offered to the management it is important that there is openness and transparency concerning the company's overall remuneration policy and the size of the remuneration of the individual members of management. The remuneration policy should support the company's long-term value creation, and the board of directors should consider whether the remuneration is reasonable.

In addition, competitive remuneration is a precondition for attracting and retaining competent members to the management. The company should have a remuneration policy under which the overall remuneration, i.e. the fixed and variable parts and the other employment terms, are reasonable and in accordance with the individual management member's responsibilities, performance and value creation.

The variable part of the remuneration (incentive pay) will normally be divided into short-term remuneration, typically cash-based bonus schemes, relating to the results achieved in a specific financial year, and long-term remuneration, typically share-based incentive schemes, relating to the company's development over a number of years.

A short-term bonus scheme should in addition to the short-term targets and results be viewed in relation to the company's strategic direction and the remuneration depending on the achievement of long-term results.

In order to support the long-term value creation, the variable part of the remuneration relating to the long-term incentive schemes should be based on realised results over a period of at least three years. The board of directors should consider the value of the remuneration at the time of allocation as well as the potential value at the time of exercise based on pessimistic, expected and optimistic scenarios.

The board of directors should ensure a reasonable and responsible correlation between remuneration and value creation. Short-term bonus schemes as well as long-term incentive schemes should be established in a manner that does not unduly promote short-sighted and risk-prone conduct.

A company may wholly or partly replace cash remuneration of the board of directors with remuneration paid in shares of the company corresponding to an equivalent value.

PRAKSIS

Solar udarbejder en vederlagsrapport, der beskriver vederlagets sammensætning og størrelse for de enkelte ledelsesmedlemmer. Vederlagsrapporten bliver behandlet på selskabets generalforsamling og er tilgængelig på www.solar.eu.

Direktionens vederlag forhandles med vederlagsudvalget efter rammer og retningslinjer udstukket af bestyrelsen, der bl.a. påser, at vederlaget er på niveau med vederlag for sammenlignelige selskaber.

Bestyrelsens honorar fastsættes ligeledes i overensstemmelse med bestyrelseshonorar i sammenlignelige selskaber.

Vederlagspolitik, hvori indgår overordnede retningslinjer for løn og incitamentsordning for direktion og Solar Group Management (SGM), er vedtaget på generalforsamlingen. Vederlagspolitikken indeholder en udtømmende beskrivelse af de vederlagskomponenter, der indgår i vederlæggelsen af selskabets ledelse og beskrives i årsrapporten og på selskabets hjemmeside. Der er fastsat grænser for størrelsen af

både aktiebaseret og ikke-aktiebaseret incitamentsaf lønning i forhold til det faste vederlag for at sikre en passende balance mellem lang- og kortsigtede interesser samt en balanceret risikovillighed. Den ikke-aktiebaserede incitamentsaf lønning kan være baseret på individuelle resultater godkendt af bestyrelsen og på selskabet eller koncernens resultater herunder resultat af primær drift (EBITA) eller andre nøgletal. Aktiebaserede incitamentter har en optjeningsperiode/modningsperiode på tre år.

Da der anvendes en enkel model for tildeling af variabelt vederlag, finder bestyrelsen det ikke relevant at vurdere værdien heraf under forskellige scenarier.

Såfremt det efter tildeling af variable lønde konstateres, at disse er udbetalt fejlagtigt, kan Solar kræve hel eller delvis tilbagebetaling.

4.1

Remuneration of the board of directors and the executive management

4.1.1

The Committee recommends that the remuneration for the board of directors and the executive management and the other terms of employment/service is considered competitive and consistent with the company's long-term shareholder interests.

COMMENT

The board of directors should, if relevant, consider comparison to national as well as international positions when establishing the remuneration packages. It is important that the board of directors considers the appropriate balance between avoiding excessive remuneration packages and at the same time being able to attract the people with the right competencies, which the board of directors should detail in the remuneration report.

If relevant, the board of directors may also disclose which peer group the company compares itself to.



PRAKSIS

Bestyrelsen påser, at direktionens vederlag er på niveau med vederlag for sammenlignelige selskaber og er forenelig med Solars langsigtede aktionærinteresser.

Bestyrelsens honorar fastsættes ligeledes i overensstemmelse med bestyrelseshonorar i sammenlignelige selskaber.

4.1.2

The Committee recommends that share-based incentive schemes are revolving, i.e. that they are periodically granted, and that they primarily consist of long-term schemes with a vesting or maturity period of at least three years.



PRAKSIS

Aktiebaserede incitamentsordninger i Solar er revolverende og kan tidligst udnyttes 3 år efter tildelingen og skal være udnyttet senest 4 år efter tildelingen. Udnyttelseskursen for aktieinstrumentet kan ikke være mindre end børskursen på udstedelsestidspunktet. Præmisser for tildelingen af betingede aktier er beskrevet i Solars årsrapport.

4.1.3

The Committee recommends that the variable part of the remuneration has a cap at the time of grant, and that there is transparency in respect of the potential value at the time of exercise under pessimistic, expected and optimistic scenarios.

COMMENT

A cap relating to variable remuneration at the time of grant may, for instance, be stated as the value of a defined number of months of base salary.



PRAKSIS

Der er fastsat grænser for størrelsen af både aktiebaseret og ikke-aktiebaseret incitamentsafløbning i forhold til det faste vederlag for at sikre en passende balance mellem lang- og kortsigtede interesser samt en balanceret risikovillighed. Tildeling af aktieoptioner eller betingede aktier er ikke resultatbestemt.

Da der anvendes en enkel model for tildeling af variabelt vederlag, finder bestyrelsen det ikke relevant at vurdere værdien heraf under forskellige scenarier.

4.1.4

The Committee recommends that the overall value of the remuneration for the notice period, including severance payment, in connection with a member of the executive management's departure, does not exceed two years' remuneration including all remuneration elements.

COMMENT

The calculation of two years' remuneration includes any grants under long-term incentive schemes during the notice period at the value at the time of grant, while payments during or after the notice period from previous grants are not included.



PRAKSIS

Hvis Solar opsiger ansættelsesforholdet med selskabets direktør, vil direktøren få udbetalt op til et års vederlag og yderligere seks måneders fast gage.

4.1.5

The Committee recommends that members of the board of directors are not remunerated with share options and warrants.

COMMENT

It is not contrary to the recommendations that members of the board of directors receive a part of their remuneration in the form of shares at market value.



PRAKSIS

Bestyrelsen er fast aflønnet og er således ikke incitamentsaflønnet.

4.1.6

The Committee recommends that the company has the option to reclaim, in whole or in part, variable remuneration from the board of directors and the executive management if the remuneration granted, earned or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration.



PRAKSIS

Såfremt det efter tildeling af variable lønde konstateres, at disse er udbetalt fejlagtigt, kan Solar kræve hel eller delvis tilbagebetaling.

Bestyrelsen modtager ikke variabelt vederlag.

5

● Risk management

- 5.1 Identification of risks and openness in respect of additional information

5 Risk management

PRINCIPLES

Risk and risk management becomes increasingly decisive. Effective risk management contributes to reducing the strategic and business risks, to ensuring compliance and to securing the quality of the basis for management decisions and the financial reporting.

Companies are exposed to different risks. Therefore, it is important that the board of directors identifies and considers the company-specific risks and ensures that effective risk management is in place, including appropriate internal control. This also applies to the company's risks in relation to sustainability.

Risk management should be a regular item on the "annual wheel" of the board of directors and the company should report on the procedure for exposing risks, the identified significant risks and how the company handles such risks.

PRAKSIS

Direktionen er ansvarlig for implementering af effektive systemer til identifikation af risici, risikostyring og intern kontrol i hele koncernen og for at fastholde fokus på løbende forbedringer af disse systemer.

Risikostyring indgår som et fast emne på bestyrelsens og revisionsudvalgets årshjul. Bestyrelsen og revisionsudvalget vurderer dermed løbende effektiviteten i Solars systemer for risikostyring og intern kontrol. I årsrapporten rapporteres på processen for risikoafdækning, koncernens væsentlige risici og relaterede mitigerende handlinger. Information om risikostyring er også tilgængelig på www.solar.eu.

5.1

Identification of risks and openness in respect of additional information

5.1.1

The Committee recommends that the board of directors based on the company's strategy and business model considers, for instance, the most significant strategic, business, accounting and liquidity risks. The company should in the management commentary give an account of these risks and the company's risk management.

COMMENT

The information on the company's risk management may, if relevant, be extended to include digital risks and supplement the statutory statement in the management commentary on the company's internal control and risk management systems in connection with the financial reporting procedures.

PRAKSIS

Solars aktiviteter indebærer, at resultat og egenkapital kan påvirkes af en række kommercielle og finansielle risici, og selskabet lægger stor vægt på en løbende vurdering af disse risici. Årsrapporten og Solar koncernens hjemmeside indeholder en beskrivelse af de enkelte elementer.

Solar beskriver i årsrapporten og på Solar koncernens hjemmeside de risici, der er forbundet med koncernens aktiviteter herunder også digitale risici. Risikostyring er behandlet som et særskilt

tema i årsrapporten, mens beskrivelse af intern kontrol indgår på www.solar.eu.

5.1.2

The Committee recommends that the board of directors establishes a whistleblower scheme, giving the employees and other stakeholders the opportunity to report serious violations or suspicion thereof in an expedient and confidential manner, and that a procedure is in place for handling such whistleblower cases.

COMMENT

A whistleblower scheme may be a good tool for proactively identifying and reacting to risks.

The board of directors may anchor the scheme in the audit committee.

It will be relevant on a current basis to inform the audit committee and the board of directors of the number, nature and justification of reports made under the whistleblower scheme.

PRAKSIS

Solar har etableret en whistleblower-ordning, hvor såvel medarbejdere som øvrige interessenter fortroligt kan rapportere uregelmæssigheder. Solar har fastlagt en procedure for håndtering af whistleblowersager. Rapporteringer fra whistleblower-ordningen og opfølgning herpå tilgår løbende bestyrelsen via revisionsudvalget.



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