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24 February 2021

Announcement no. 4 2021

Notice of general meeting

Solar A/S' annual general meeting will be held on Friday, 19 March 2021, at 11.00 am. The general meeting will be conducted as a fully virtual meeting without the possibility of physical attendance. The agenda of the general meeting is:

1. Election of chair of the meeting
2. The Board of Directors' report on the company's activities during the past financial year
3. Presentation and approval of the annual report with audited annual accounts

The Board of Directors proposes that the 2020 annual report be approved.
4. Resolution for the allocation of profits in accordance with the approved annual report

The Board of Directors proposes that DKK 204m be distributed as dividend for the 2020 financial year, corresponding to DKK 28.00 for each share of DKK 100.
5. Proposals from the Board of Directors:
 - 5.1 Authorisation to distribute extraordinary dividend

The Board of Directors proposes that the company's Board of Directors be authorised in the period until the next annual general meeting to decide to distribute extraordinary dividend of up to DKK 15.00 per share.
 - 5.2 Authorisation to acquire own shares

The Board of Directors proposes that the company's Board of Directors be authorised in the period until the next annual

6. Approval of Remuneration Report

Indicative vote on the Remuneration Report regarding remuneration of the Board of Directors and the Executive Board in 2020, which has been prepared by the Board of Directors.
7. Proposal for the Board of Directors' remuneration

The Board of Directors proposes that the fee for members of the Board of Directors in 2021 be unchanged DKK 200,000.

The chairman of the Board of Directors will receive triple remuneration, and the vice chairman of the Board of Directors and the chairman of the audit committee will receive one and a half times the remuneration to cover their extended duties.
8. Election of members to the Board of Directors.

The nomination committee proposes new election of Michael Troensegaard Andersen and re-election of the current members of the Board of Directors: Morten Chrone, Peter Bang, Louise Knauer, Jesper Dalsgaard and Jens Borum.

Jens Peter Toft has announced that he declines re-election.

Reference is made to the attached appendix 1 from the nomination committee for details about the proposed candidates.
9. Election of auditor.

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Pursuant to article 18.1 of the Articles of Association a state-authorized public accountant must be elected as auditor, and this auditor remains in office until the general meeting elects a new auditor.

During the summer of 2020, Solar completed a tender process for audit services. The tender process was handled by the audit committee and carried out in accordance with applicable law. Three audit firms have bid for the task.

Based on a thorough evaluation of the proposals received and meetings with the three bidding audit firms, the audit committee decided to recommend that Deloitte, Statsautoriseret Revisionspartnerselskab, be elected as the new auditor.

The audit committee has found that Deloitte is the candidate that best complies with and meets the selection criteria set out in the tender documents, and at the same time, possesses the necessary and sufficient qualifications and competencies to fill the role as auditor for the company.

The Board of Directors proposes election of Deloitte, Statsautoriseret Revisionspartnerselskab, CVR no. 33 96 35 56 as new auditor for the company in accordance with the recommendation from the audit committee.

The audit committee has not been influenced by third parties and is not subject to any agreements with third parties that restrict the general meeting's election of certain auditors or audit firms.

10. Authorisation to the chair of the meeting

The Board of Directors proposes that the general meeting authorises the chair of the general meeting (with a right of substitution) to file and register the adopted resolutions with the Danish Business Authority and to make such amendments to the documents filed with the Danish Business Authority as the Danish Business Authority may request or find appropriate in connection with the registration of the adopted resolutions.

11. Any other business.

The notice, the total number of shares and the voting rights at the date of the notice, including the total number of each class of shares, the agenda, the complete proposals, the company's 2020 Annual Report with consolidated accounts, the Remuneration Report, the registration of attendance form as well as the proxy form and postal voting form will be available as from 24 February 2021 at www.solar.eu.

As for the collection and processing of personal data, reference is made to Information on data protection law issues in connection with the annual general meeting and the company's cookie policy, which are available at www.solar.eu.

Adoption requirements

The Board of Directors' proposals may be adopted by a simple majority of votes.

The right to attend and vote at the general meeting

A shareholder's right to attend and vote at the general meeting is determined on the basis of the shares that the shareholder holds and has registered or reported for recording in the company's register of shareholders not later than on 12 March 2021 (the date of registration). Attendance is also subject to the shareholder having timely obtained an admission card as described below.

Fully virtual general meeting

Due to the COVID-19 situation, the annual general meeting will be held as a fully virtual meeting.

Virtual attendance at the general meeting will take place via a general meeting portal provided by VP Securities A/S, which can be accessed via <http://www.solar.eu/investor/>. The general meeting portal can be accessed via smartphone, tablet or computer. During the general meeting, it will be possible to ask questions and vote via the general meeting portal. Shareholders must be logged into the general meeting portal to attend the general meeting. Login takes place using NemID.

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If you do not have access to NemID, you can register a personal VP-ID. Guidelines for registering a VP-ID is available at www.solar.eu.

In order to facilitate the practical conduct of the general meeting, including any voting, the company recommends that the shareholders prior to the general meeting vote by postal vote or issue a proxy to the Board of Directors. Shareholders who vote by postal vote or issue a proxy may attend the general meeting without the right to vote.

Each shareholder is responsible for ensuring that the shareholder has a smartphone, tablet or computer with an Evergreen-browser (Edge, Chrome, Firefox or Safari), and that the shareholder at the time of the general meeting has an adequate and functioning internet connection. Additional information about minimum requirements for the electronic systems used and information on the procedures for virtual attendance can be found at the company's website www.solar.eu.

As voting and communication at the general meeting will take place electronically, delays on the electronic lines may occur. These delays may last up to one minute. The company accepts no responsibility for a shareholder's questions, comments, proposed amendments or votes cast being received in due time to be taken into consideration under the relevant item on the agenda.

Registration of attendance

Shareholders who want to attend the general meeting must register their attendance by Monday 15 March 2021 at 11:59 pm.

Registration of attendance can be made as follows:

- electronically via Solar's InvestorPortal on www.solar.eu or via www.vp.dk/gf,
- by completing, signing and returning a form, which can be printed from www.solar.eu, to VP Investor Services A/S, Weidekampsgade 14, 2300 Copenhagen S by post or to vpinvestor@vp.dk by email,

- by contacting VP Investor Services by phone: +45 4358 8866, by email: vpinvestor@vp.dk, or by personal or written application to VP Investor Services A/S, Weidekampsgade 14, 2300 Copenhagen S.

Confirmation of registration will be sent by email to the email address provided by the shareholder in connection with registration of attendance.

Proxy or postal vote

The shareholders may vote by proxy or by postal vote. Proxy or postal voting may be submitted electronically via Solar's InvestorPortal at www.solar.eu or at www.vp.dk/gf (both require digital signature) or in writing by using the physical proxy form or postal voting form that can be printed from the website www.solar.eu. If the proxy form or the postal voting form is used, the filled in and signed form should be forwarded by letter to VP Investor Services A/S, Weidekampsgade 14, 2300 Copenhagen S, Denmark. Alternatively, the filled in and signed form can be scanned and sent by email to vpinvestor@vp.dk.

The completed proxy form must reach VP Investor Services A/S by Monday, 15 March 2021, at 11:59 pm at the latest, while postal votes must reach VP Investor Services A/S by Wednesday, 17 March 2021 at 4:00 pm.

It is possible to either issue a proxy or vote by postal voting, but not both.

When granting a proxy to a named third party, the shareholder will receive access code, etc. for the proxy holder for the purpose of attending the general meeting. The shareholder is responsible for passing on the relevant information to the proxy holder.

Share capital, voting right and account holding bank

The share capital is DKK 736,000,000 divided into shares of DKK 100.00 each and multiples hereof. The share capital is divided into DKK 90,000,000 A shares and DKK 646,000,000 B shares. Each A share of DKK 100.00 carries ten votes, and each B share of DKK 100.00 carries one vote.

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The shareholders exercise their financial rights through their own depository banks.

Questions from the shareholders

Shareholders may pose questions to the agenda or documents etc. to be used for the general meeting by written letter to Solar A/S, Industrivej Vest 43, 6600 Vejen, Denmark, or by email to investor@solar.dk.

Shareholders may also ask questions to the company's management during the general meeting. Questions may be asked during the general meeting by sending a message using the message function in the general meeting portal. A shareholder's question/input will be read out and subsequently answered orally during the general meeting.

Contact persons:

Chairman of the Board of Directors, Jens Borum - tel. +45 79 30 00 00

IR Director, Dennis Callesen – tel. +45 29 92 18 11

Appendix 1: Proposal from the Nomination Committee

Appendix 2: Remuneration Report 2020

Facts on Solar

Solar is a leading European sourcing and services company mainly within electrical, heating and plumbing, ventilation and climate and energy solutions. Our core business centres on product sourcing, value-adding services and optimisation of our customers' businesses.

We facilitate efficiency improvement and provide digital tools that turn our customers into winners. We drive the green transition and provide best in class solutions to ensure sustainable use of resources.

Solar Group is headquartered in Denmark, generated revenue of approx. DKK 11.5bn in 2020 and has approx. 2,900 employees. Solar is listed on Nasdaq Copenhagen and operates under the short designation SOLAR B. For more information, please visit www.solar.eu

Disclaimer

This company announcement has today been published in Danish and English via Nasdaq Copenhagen. In the event of discrepancies between the Danish and the English version, the Danish version prevails.

Appendix 1 Proposal from the Nomination Committee

The role of the Nomination Committee

The Board of Directors has established a forum for dialogue with our large shareholders concerning the future composition of the Board of Directors. Representatives from the two largest shareholders, the company's majority shareholder (the Fund of 20th December) and the Chairman of the company's Board of Directors form a committee, which is to make proposals to the Board of Directors of both re-election and new election of board members. For more information on the Nomination Committee, go to <https://www.solar.eu/investor/corporate-governance/>.

Proposed composition of the Board of Directors for Solar A/S

The Nomination Committee has reviewed and discussed the questionnaire survey evaluation led by the Chairman of the Board of Directors and has come to the conclusion, that the Board of Directors matches the company's current needs in terms of industrial, functional and leadership qualifications and experience and, thus, proposes re-election of Morten Chrone, Peter Bang, Louise Knauer, Jesper Dalsgaard and Jens Borum. As Jens Peter Toft resigns from the Board of Directors, the Nomination Committee proposes new election of Michael Troensegaard Andersen.

Michael Troensegaard Andersen has worked with H+H international A/S as the CEO since April 2011. Prior to this Michael Troensegaard Andersen has worked in top management positions in Trelleborg AB, Alto (now part of Nilfisk), Incentive A/S and Lundbeck A/S.

Through his carrier, Michael Troensegaard Andersen has been spearheading successful strategic, structural and organisational transformation. He has a broad experience from leadership positions in different areas of expertise and in different businesses.

Through his position with H+H International A/S, Michael Troensegaard Andersen has gained in-depth knowledge of the European Building and Building Material Industry.

Michael Troensegaard Andersen holds a Master of Science in Mechanical Engineering from Denmark's Technical University (1987) and a Graduate

Diploma in Business Administration (Financial and Management Accounting) from Copenhagen Business School (1988).

Michael Troensegaard Andersen has a seat on the Board of HS Hansen Group A/S as well as a seat on eight internal H+H Boards.

Michael Troensegaard Andersen was born 27 March 1961.

Morten Chrone is Group CEO in Unisport Saltex Oy and has previously been group managing director at NCC Construction A/S (2005-2009), Group CCO at Brdr. A&O Johansen A/S (2009-2013), managing director at Spæncom (2013-2017) and Group COO at HusCompagniet A/S (2017-2020). Morten Chrone has managed business units in Denmark, Sweden, Norway, Germany and England.

Morten Chrone has held management positions within the construction industry/wholesale business in Denmark and abroad for the past 25 years and has significant knowledge of Solar's core business and the markets we operate in.

Morten Chrone holds a MBA from Cranfield School of Management (2001) and a B.Eng. in Civil and Constructional Engineering from the Engineering College of Aarhus (1994) and has subsequently supplemented those with professional development at IMD and Stanford Graduate School of Business, most recently The Corporate Entrepreneur (2015) and Stanford Executive Program (2011).

Morten Chrone joined the Board of Directors of Solar A/S in 2019 and has a seat on Unisport Scandinavia ApS.

Further information about Morten Chrone can be found on Solar's website <https://www.solar.eu/our-company/management-and-board-of-directors/morten-chrone/>

Morten Chrone was born 4 January 1966.

Peter Bang has worked in the VELUX group since 1994 and since 2011, he has been Executive Director and CFO with current responsibility for Group Functions (Finance, Performance Management & BI, IT, HR, Global Business Services, Communication, CSR and Public Affairs). Furthermore, he has the responsibility for the group's digital, strategic initiatives as well as a range of transformation projects where a more global organisation and culture are implemented in VELUX. Additionally, he has acted in a range of different roles within the VELUX group since 1994.

Peter Bang has experience within construction, climate/energy, globalisation, digitalisation, organisational development, change management, communication as well as finance and performance management.

Peter Bang holds a Master of Economics (1994) from Aarhus University specialised within business economics and financing. By virtue of his employment at VELUX, he has acquired extensive knowledge about trust managed groups and companies affiliated with the construction industry.

Peter Bang joined the Board of Directors of Solar A/S in 2018 and has a seat on seven internal boards of the VELUX group. Furthermore, he is CED and member of the board of O.B. Holding. Aabenraa ApS.

Further information about Peter Bang can be found on Solar's website <https://www.solar.eu/our-company/management-and-board-of-directors/Peter-Bang/>

Peter Bang was born 2 April 1969.

Louise Knauer has worked in TDC Group in the period 2015-18 as Senior Executive Vice President most recently in the position as Senior Executive Vice President of Group Data, Security and Wholesale, and Group Chief Data & Security Officer at TDC A/S. Her former role in TDC Group was Group Chief Strategy Officer, with responsibility for Strategy, Business Intelligence, M&A etc. She was previously the CEO of Wibroe, Duckerts & Partners, People Group A/S (2013-15), being responsible for the execution

of a strategic and financial turn-around and has worked internationally as a management consultant in McKinsey & Company (2008-13).

Thus, Louise Knauer has experience as CEO and member of executive committees with developing strategies and companies both nationally and internationally. In addition, Louise Knauer has expertise within technologically driven innovation, digitalisation, data / AI / ML and cyber security.

Louise Knauer has studied at CBS (2003-8) with a B.Sc. in Commercial Law and Business Economics and a M.Sc. in Finance and Strategic Management.

Louise Knauer joined the Board of Directors of Solar A/S in 2017 and in addition to this, she handles a number of other board duties as described on Solar's website: <https://www.solar.eu/our-company/management-and-board-of-directors/louise-knauer/>

Louise Knauer was born 6 November 1983.

Jesper Dalsgaard is Managing Director of Rambøll Environment & Health since 2019 and in the period 2017-2019 he acted as Managing Director of Rambøll Buildings with global responsibility for Rambøll's activities within building consultancy. Previously, he was Senior Director and Head of Maersk Management Consulting in A.P. Møller-Maersk (2015-17), Group Director, Strategy and M&A in Rambøll Group (2013-14), Business Development Director in VKR Holding (2006-13), Principal in Boston Consulting Group, Business Development Director in C.W. Obel, Vice President in Araneum Consulting and management consultant in A.T. Kearney / Aarsø Nielsen & Partners.

Through his work, Jesper Dalsgaard has executive management experience of companies managed by funds and companies within the construction industry, and has experience within strategy, business development and mergers & acquisitions. Furthermore, he has experience with board services from previous duties in a number of companies within the construction industry.

Jesper Dalsgaard has studied at CBS (1987-93) with a B.Sc. and a M.Sc. in Law and Business Administration.

Jesper Dalsgaard joined the Board of Directors of Solar A/S in 2017. Furthermore, he is member of the board of the Fund of 20th December and of Mannaz A/S.

Further information on Jesper Dalsgaard can be found on Solar's website <https://www.solar.eu/our-company/management-and-board-of-directors/jesper-dalsgaard/>

Jesper Dalsgaard was born 15 January 1968.

Jens Borum has previously worked for the Danish Academy of Technical Sciences' Institute for the Water Environment, the Danish Ministry of the Environment's marine pollution laboratory, and is currently an associate professor at the University of Copenhagen, working with resource employment in organisms and ecosystems.

Jens Borum holds an MSc in biology degree from the University of Copenhagen (1980) and a PhD in marine biology from the University of Copenhagen (1985).

Jens Borum joined the Board of Directors of Solar A/S in 1982, was vice chairman from 1989 to 1991 and has been chairman since 1991. He holds no other board duties.

Jens Borum was born on 8 October 1953.

Board members are elected for one year at a time.

The proposed candidates are all Danish citizens.

Of the proposed candidates, Michael Troensegaard Andersen, Morten Chrone, Peter Bang and Louise Knauer are considered independent from the company by the definition in the Danish corporate governance recommendations. Jesper Dalsgaard is affiliated with the Fund of 20th December, which is the majority shareholder of Solar A/S, while Jens Borum has been a board member for more than 12 years.

Vejen, 24 February 2021

The Nomination Committee of Solar A/S



REMUNERATION REPORT

2020

Solar A/S
CVR no. 15 90 84 16

REMUNERATION REPORT 2020

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This Remuneration Report (the "Report") provides an overview of the total remuneration received by each member of the Board of Directors ("Board") and the Executive Board ("EB") of Solar A/S, CVR no. 15908416, ("Company") during 2020 with comparative figures for 2019. The EB comprises the members of the Executive Board of Solar A/S registered as such with the Danish Business Authority.

Remuneration of the Board and EB during the past financial year has been provided in accordance with the Remuneration Policy of Solar A/S adopted by the Annual General Meeting on 13 March 2020 and available on the Company's website, <https://www.solar.eu/investor/policies/> (the "Remuneration Policy").

The object of the Remuneration Policy is to ensure common interests between the Company's shareholders and the Company's decision-makers, the decision-makers being the Board and the Executive Board. Furthermore, the purpose of the Remuneration Policy is to increase long-term value creation and thereby support the Company's business strategy and resilience. In this connection, it is important that the Company is able to attract and retain a qualified management team by offering them market-consistent remuneration within the scope of an approved remuneration policy.

The Report has been prepared in accordance with section 139b of the Danish Companies Act



(the "DCA") and the draft European Commission Guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement (the "Guidelines").

The information included in the Report is derived from the audited Annual Reports of the Company for 2020 and 2019 available on the Company's website, <https://www.solar.eu/investor/downloads/>.

All amounts are included in DKK, gross.

REMUNERATION REPORT 2020

COMPLIANCE WITH THE REMUNERATION POLICY

Remuneration of the Board and EB for the 2020 financial year complies with the framework provided by the Remuneration Policy.

The Board received fixed remuneration only.

EB received a combination of fixed and variable remuneration. The fixed remuneration consisted of a base salary and benefits. The variable remuneration consisted of allocation of cash bonus and restricted share units based on specific financial KPIs. The allocation is part of safeguarding value creation in Solar and achieving Solar's long-term objectives.

There was no deviation or derogation from the framework provided by the Remuneration Policy.

INTRODUCTION

COVID-19 has affected the entire world and Solar has also been affected by the challenges it has brought about. Due to the spread of COVID-19, Solar adopted a number of initiatives to limit the risk of infection, safeguard the health of employees, preserve business continuity and protect earnings.

OVERVIEW OF FINANCIAL PERFORMANCE

In 2020, we succeeded in managing the effects of COVID-19. Compared to 2019, we increased EBITA by DKK 95m to DKK 455m despite a revenue decline of DKK 214m. The increase in earnings was achieved by gross profit margin initiatives, efficiency gains and cost containment. Compared to 2019, EBITA was up by more than 25%.

The 2020 EBITA target of 4% for core business was set at the beginning of 2018, and with EBITA of DKK 456m and revenue of DKK 10.9bn for core business, the EBITA margin of 4.2% was above target. For the 2018-2020 strategy period, EBITA was up by DKK 145m to DKK 455m at group level.

Furthermore, in 2020 we divested our shareholding in BIMobject AB for DKK 237m.

The Board proposes that DKK 204m be distributed as dividend for the 2020 financial year, corresponding to DKK 28.00 for each share of DKK 100 or an increase of 100% compared to the 2019 dividend.

BOARD OF DIRECTORS' REMUNERATION

Fixed annual fee

Members of the Board receive a fixed annual base fee approved by the Annual General Meeting. The Chairman receives a multiplier of the annual base fee of three for his extended duties, while the Vice-Chairman and the Chairman of the Audit Committee each receive a multiplier of the annual base fee of 1.5 for their extended duties. No member of the Board is entitled to receive any share-based incentives, other variable remuneration or pension contribution.

Members of the Board may be entitled to additional fees as set out in the Remuneration Policy, including for undertaking specific ad hoc

tasks beyond the scope of the Board's normal duties. Expenses such as travel expenses and accommodation in connection with board meetings are refunded as per account rendered. When attending meetings, members of the Board, who are not employed by the Solar Group, are compensated for lost income in accordance with the rules set out by the Board.

The following fees for 2020 and 2019 were approved at the Annual General Meeting on 13 March 2020 and on 15 March 2019 respectively:

TABLE 1: BOARD FEE FOR 2020 (2019)

DKK	Board of Directors	
	2020	2019*
Member, base fee	200,000	175,000
Chairman, 3 x base fee	600,000	525,000
Vice-Chairman, 1.5 x base fee	300,000	262,500
Chairman of Audit Committee, 1.5 x base fee	300,000	262,500

*Base fee of 175,000 was unchanged in the period 2015-2019.

REMUNERATION REPORT 2020

TABLE 2: REMUNERATION OF BOARD (DKK) FOR 2020 (2019)

Name	Position		Annual fee	Compensation lost income	Total fixed remuneration
Jens Borum	Chairman, Member of Audit Committee (until 15/3 2019) Chairman of Remuneration Committee (from 15/3 2019) and Member of Nomination Committee	2020	600,000	112,500	712,500
		2019	525,000	150,000	675,000
Jesper Dalsgaard	Vice Chairman (from 15/3 2019), Member of Audit Committee (until 15/3 2019) Chairman of Nomination Committee	2020	300,000	118,750	418,750
		2019	240,625	137,500	378,125
Peter Bang	Board member, Member of Audit Committee (from 15/3 2019)	2020	200,000	200,000	400,000
		2019	175,000	168,750	343,750
Morten Chrone	Board member (from 15/3 2019)	2020	200,000	112,500	312,500
		2019	131,250	87,500	218,750
Louise Knauer	Board member, Member of Audit Committee (from 15/3 2019), Member of Remuneration Committee (from 15/3 2019)	2020	200,000	193,750	393,750
		2019	175,000	181,250	356,250
Jens Peter Toft	Board member, Chairman of Audit Committee, Member of Remuneration Committee	2020	300,000	200,000	500,000
		2019	262,500	193,750	456,250
Lars Lange Andersen	Board member, employee elected	2020	200,000	-	200,000
		2019	175,000	-	175,000
Bent Frisk	Board member, employee elected	2020	200,000	-	200,000
		2019	175,000	-	175,000
Ulrik Damgaard	Board member, employee elected	2020	200,000	-	200,000
		2019	175,000	-	175,000
Ulf Gundemark	Vice Chairman (until 15/3 2019), Chairman of Remuneration Committee (until 15/3 2019)	2020	-	-	-
		2019	65,625	25,000	90,625
Total		2020	2,400,000	937,500	3,337,500
		2019	2,100,000	943,750	3,043,750

REMUNERATION REPORT 2020

EXECUTIVE MANAGEMENT BOARD'S REMUNERATION

Members of the EB are entitled to an annual remuneration in accordance with the Remuneration Policy, which may consist of the following fixed and variable remuneration components:

- a fixed base salary,
- non-share-based incentives to optimise the EB's incentive in the short and/or long term,
- share-based incentives to optimise the EB's incentive in the long term, and
- employee benefits

It is the Board's opinion that a combination of the above-mentioned remuneration elements contributes towards ensuring that the Company can attract and retain competent executive officers while at the same time encouraging the EB to create value to the benefit of the shareholders – both in the short and long term.

The Board has established a Remuneration Committee. Negotiations regarding changes to the EB's remuneration are conducted by the Remuneration Committee with a mandate from the Board.

The mutual balance between the types of remuneration is stated below and justified because the Board finds that a combination hereof is expedient in the efforts to meet the Company's short-term and long-term objectives.

At the same time, the Board has determined that an equitable ceiling on incentive-based remuneration must be established relative to the relevant EB member's fixed base salary. So, for a given year, the total value of the allocated non-share-based incentive remuneration and the allocated share-based incentive remuneration constitutes - as a maximum - an amount corresponding to the EB member's fixed annual base salary at the time of allocation. If allocation takes place for several

years, the value - as a maximum - may constitute an amount corresponding to the EB member's latest approved fixed annual base salary multiplied by the number of years of the allocation period.

In this Remuneration Report, the value of share-based incentives is included at the total value at the time of granting. In the Annual Report, the estimated present value of the share-based incentive remuneration is calculated in compliance with the principles of recognition and in accordance with the accounting policies applicable at the given time.

Fixed base salary

The fixed annual base salary is intended to attract and retain competent key employees with a view to contributing to the Company's ability to obtain its short and long-term targets.

The EB may participate in the Company's em-

ployer-managed pension scheme. The scheme is set up as a defined contribution scheme. The EB members may choose to deposit cash bonuses into a pension scheme set up by the EB member.

Non-share-based incentives

The Board may allocate non-share based incentive remuneration to the EB, which may include current, one-off and event-based bonuses. The object of the allocation is to safeguard value creation and to achieve the Company's short-term and/or long-term objectives.

Non-share-based incentive remuneration may be obtained in different ways. The remuneration may be based on individual results that have been approved by the Board and on results for the Company or the Solar Group, including the result from primary operations (EBITA) or other key figures.

REMUNERATION REPORT 2020

TABLE 3: REMUNERATION OF EB (DKK) FOR 2020 (2019)

Name and position		Fixed remuneration		Variable remuneration			Total remuneration	Share of remuneration	
		Base salary	Benefits	Cash bonus (earned)	Restricted share units (RSU)	Pension contribution		Fixed	Variable
Jens Andersen, CEO	2020	5,336,400	247,422	3,009,763	1,504,881	2,272	10,100,738	55%	45%
	2019	5,300,000	247,527	1,566,323	783,161	2,272	7,899,283	70%	30%
Hugo Dorph, CCO	2020	3,222,000	139,199	1,504,881	752,441	2,272	5,620,793	60%	40%
	2019	3,200,000	162,762	783,161	391,581	2,272	4,539,776	74%	26%
Michael Jeppesen, CFO	2020	2,869,200	201,927	1,504,881	752,441	2,272	5,330,721	58%	42%
	2019	2,850,000	170,041	783,161	391,581	2,272	4,197,055	72%	28%
Total	2020	11,427,600	588,548	6,019,525	3,009,763	6,816	21,052,252	57%	43%
	2019	11,350,000	580,330	3,132,645	1,566,323	6,816	16,636,114	72%	28%

TABLE 4: KPI FOR CASH BONUS AND RESTRICTED SHARES

Name and position	Description of KPI	Relative weighting of KPIs	Minimum and maximum award	Actual KPI performance			Actual cash bonus earned	Actual value of restricted share units
				EBITA	Amortisation	Average invested capital		
Jens Andersen, CEO	EBITA less amortisation less interest on invested capital	100%	0 - 5,336,400	455,000,000	68,000,000	2,102,000,000	3,009,763	1,504,881
Hugo Dorph, CCO	EBITA less amortisation less interest on invested capital	100%	0 - 3,222,000	455,000,000	68,000,000	2,102,000,000	1,504,881	752,441
Michael Jeppesen, CFO	EBITA less amortisation less interest on invested capital	100%	0 - 2,869,200	455,000,000	68,000,000	2,102,000,000	1,504,881	752,441

REMUNERATION REPORT 2020

Share-based incentives

The Board may allocate share-based incentives to the EB, such as restricted B shares in the Company, the right to acquire a number of B shares (share options) in the Company, phantom shares or similar instruments. The objective of the allocation is to safeguard value creation and to achieve the Company's long-term objectives.

The allocation of shares or share options takes place annually after publication of the Annual Report. The allocation may be estimated based on targets set out by the Board. The Board decided to grant restricted shares to the EB in 2020 and 2019, which is in line with the remuneration policy for long-term incentives.

Restricted shares are granted for no consideration and provide the holder with the right and obligation to receive B shares at a nominal value of DKK 100.

Variable remuneration is based on a percentage of EBITA less amortisation less interest on invested capital. The allocation is 50% for the CEO and 25% for the CCO and CFO respectively. The maximum award corresponds to the annual base salary for each member. One third of the calculated award is allocated as restricted share units, while the remaining two thirds of the award are allocated as cash bonus.

The share price at the time of granting is based on the average share price on Nasdaq Copenhagen on the first 10 business days after publication of the Annual Report. The restricted shares vest three years after the time of granting. At this

point, the holder may exercise the restricted share granting.

The share price at the time of granting is fixed at DKK 319.39 (297.7). The grant of shares vests in 2023 (2022).

Termination and severance payments

The Company can terminate employment at 12 months' notice. A member of the EB can terminate employment with the Company at 6 months' notice.

In the event of the EB member's resignation or the Company's termination of employment, a proportional part of any cash bonus up to the time of the termination of the employment is paid.

If an EB member terminates the employment and this is not due to any material breach of the Company, any share options that have not been exercised must be exercised no later than 10 days after the publication of the first Annual Report following the termination of employment. Share options that have not been exercised will expire automatically and without warning. This may be adjusted in each individual EB member's employment contract.

The EB members' employment contracts provide for severance pay, which, if the Company terminates the employment or the agreement expires, implies payment of up to 12 months' salary, against the EB member to a reasonable extent being available with information during the notice period or until resignation in case of expiry of the agreement. Severance pay is paid upon the

expiry of the notice period or upon resignation in the event of expiry of the agreement.

In the 2020 financial year, no termination or severance payments took place.

Non-monetary benefits

A number of work-related benefits are available to the EB, including company car, free telephone, PC, broadband connection at home and any business-relevant magazine and newspaper subscriptions. The extent/size of the individual benefits is negotiated with the individual EB member.

The EB is also covered by the Company's insurance schemes.

The EB's dependants, i.e. such as a cohabiting spouse / a cohabitant at the same officially registered address, alternatively children under the age of 18, will receive up to six months' salary in the event of the death of an Executive Board member while he is still employed by the Company.

Clawback

If it is found after the allocation of variable remuneration components that these were paid erroneously, the Company may reclaim the variable components in full or in part.

In the 2020 financial year, no incentive remuneration was reclaimed.

TABLE 5: EB'S PREVIOUS AND EXISTING RESTRICTED SHARE UNITS

Name and position	Number of restricted share units			Value of share units outstanding
	Beginning of year	Granted	End of year	
Jens Andersen, CEO	2,410	2,666	5,076	940,080
Hugo Dorph, CCO	1,397	1,341	2,738	524,360
Michael Jeppesen, CFO	1,165	1,331	2,496	458,640

In 2023, the holder may exercise the restricted shares granted in 2020.

TABLE 6: EB'S PREVIOUS AND EXISTING RESTRICTED SHARE OPTIONS

Name and position	Number of share options			Value of share options outstanding
	Beginning of year	Granted	End of year	
Jens Andersen, CEO	2,709	0	2,709	38,976
Hugo Dorph, CCO	2,703	0	2,703	38,890
Michael Jeppesen, CFO	2,186	0	2,186	32,819

The share options vest in 2021, 10 banking days after the publication of Annual Report 2020. The exercise price is 373.84.

REMUNERATION REPORT 2020

TABLE 7: COMPARISON OF REMUNERATION AND COMPANY PERFORMANCE

Financial performance	2020 (amount)	2020 vs. 2019 (change)
EBITA	455,000,000	26%
Invested capital	1,760,000,000	-23%
Basis for variable remuneration (KPI)	257,980,000	92%
Executive Board		
Jens Andersen, CEO	10,100,738	28%
Hugo Dorph, CCO	5,620,793	24%
Michael Jeppesen, CFO	5,330,721	27%
Board of Directors		
Jens Borum, Chairman	712,500	6%
Jesper Dalsgaard, Vice-Chairman	418,750	11%
Peter Bang, Board member	400,000	16%
Morten Chrone, Board member	312,500	14%*
Louise Knauer, Board member	393,750	11%
Jens Peter Toft, Board member & Chairman of Audit Committee	500,000	10%
Lars Lange Andersen, Board member (employee representative)	200,000	14%
Ulrik Damgaard, Board member (employee representative)	200,000	14%
Bent Frisk, Board member (employee representative)	200,000	14%
Average remuneration for the listed company Solar A/S's employees (FTE)		
Company employees	611,178	3.8%

*Elected 19 March 2019. Figure adjusted to comparable period.

TABLE 8: RECONCILIATION TO ANNUAL REPORT 2020

	Board	EB
Remuneration cf. Remuneration Report	3,337,500	21,052,252
<i>Restricted share units</i>		
Earned versus carried to the debit side	-	-1,610,940
Remuneration cf. Annual Report 2020	3,337,500	19,441,312

REMUNERATION REPORT 2020

MANAGEMENT'S STATEMENT

The Board of Directors has today discussed and approved the Remuneration Report for the financial year 2020 for the listed company Solar A/S.

The Remuneration Report has been presented in accordance with section 139 b of the Danish Companies Act.

We recommend that the Remuneration Report be subject to an indicative vote at the Annual General Meeting.

Vejen, 11 February 2021

Board of Directors

Jens Borum Chairman	Jesper Dalsgaard Vice-Chairman	Lars Lange Andersen
Peter Bang	Morten Chroné	Ulrik Damgaard
Bent H. Frisk	Louise Knauer	Jens Peter Toft

THE INDEPENDENT AUDITOR'S STATEMENT ON THE REMUNERATION REPORT

To the shareholders of Solar A/S,

In accordance with section 139 b of the Danish Companies Act, Executive Management is responsible for preparing a remuneration report in compliance with the Remuneration Policy adopted by the Annual General Meeting.

Our conclusion in relation to the Consolidated Financial Statements and the Annual Report does not include the Remuneration Report, and we do not express any certain opinion on this.

In accordance with section 147 of the Danish Companies Act, it is, however, our responsibility when auditing the Consolidated Financial Statements and the Annual Report for 2020 to ensure that information included in section 139b, subsection 3 is included in the Company's Remuneration Report for 2020.

We have not identified any deficiencies in the information provided in the Remuneration Report for 2020.

Trekantområdet, 11 February 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 3377 1231

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