



Vestas®



# Notice convening the **Annual General Meeting 2021**

Vestas Wind Systems A/S  
Company reg. no.: 10403782

**Wind.** It means the world to us.™

# To the shareholders of Vestas Wind Systems A/S

The Board of Directors hereby convenes the Annual General Meeting of Vestas Wind Systems A/S ("the Company") (company reg. no. 10403782), to be held on

**Thursday 8 April 2021 at 4:30 pm (CEST)  
at Vestas Wind Systems A/S, Hedeager 42,  
8200 Aarhus N, Denmark**

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## **Due to COVID-19, we recommend following the Annual General Meeting online**

The situation regarding the COVID-19 pandemic remains critical, and the management of Vestas takes the guidelines and recommendations from the Danish authorities very seriously.

In order to protect the health and safety of all, and given the Danish authorities' restrictions on assembly, we strongly recommend that shareholders make use of the possibility to give proxy or vote by correspondence and follow the Annual General Meeting via live stream instead of attending in person.

### [Stay updated](#)

If it is not possible, or appropriate, in order to comply with government restrictions regarding COVID-19, to hold the general meeting physically as planned in accordance with this notice, the general meeting will instead be held as a fully electronic general meeting without the possibility of physical attendance.

In that case, further information about this, including the requirements for electronic systems, will be made available on the Company's website. The decision to conduct a fully electronic general meeting will at the same time be notified to the market by means of a company announcement, just as notification will be sent to shareholders already registered for attendance and to the shareholders who, in accordance with section 95(3) of the Danish Companies Act, have submitted a request to receive the convening notice separately.

### **Information to online participants**

The Annual General Meeting will be broadcast live in Danish and English via the Company's website - [vestas.com/en/investor](https://vestas.com/en/investor).

The Company's shareholders are strongly recommended to watch the Annual General Meeting online instead of attending in person. Please note that shareholders participating online will need to vote and ask questions in advance. Additional information is available on pages 7-8.

### **Information to participants attending in person**

Shareholders who should still choose to attend the Annual General Meeting in person are strongly encouraged not to bring a guest or an adviser.

Shareholders wishing to attend the Annual General Meeting must notify Vestas of their attendance no later than Tuesday, 6 April 2021 at 3:00 pm (CEST). Additional information is available on pages 7-8.

On 8 April 2021, registration of admission cards will begin at 4:00 pm (CEST).

Any shareholder, guest, or adviser infected with COVID-19, showing symptoms of COVID-19, or having had close contact with persons either infected or showing symptoms, are asked not to attend the Annual General Meeting in person.

## Agenda and complete proposals

1. [The Board of Directors' report on the Company's activities during the past year](#)

2. [Presentation and adoption of the Annual Report](#)

The Board of Directors proposes adoption of the Annual Report for 2020. The report is available on the Company's website.

3. [Resolution for the allocation of the result of the year according to the adopted Annual Report](#)

The Board of Directors proposes that a dividend of DKK 8.45 per share be paid out for 2020. The proposed dividend distribution is in accordance with the Company's dividend policy. For further information, please refer to the Annual Report 2020, page 103 and page 120.

4. [Presentation and advisory vote on the Remuneration Report](#)

The Board of Directors proposes that the Annual General Meeting approves the Remuneration Report 2020 presented for advisory vote.

The Remuneration Report 2020 has been prepared in accordance with section 139b of the Danish Companies Act. The report provides an overview of the total remuneration awarded to current and previous members of the Board of Directors and the Executive Management<sup>1</sup> of the Company during the financial year 2020 with comparative figures for the past five years. The report is available on the Company's website.

5. [Approval of the Board of Directors' remuneration](#)

The Board of Directors proposes that the remuneration for 2021 be based upon a basic remuneration of DKK 446,250<sup>2</sup> per board member an increase of 5 percent. The chairman receives three times the basic remuneration and the deputy chairman receives two times the basic remuneration for their extended board duties.

In addition to the basic remuneration, members of the Board of Directors receive a committee fee of DKK 262,500<sup>1</sup> per membership of a board committee and the chairmen of the committees receive DKK 472,500<sup>1</sup> for their extended committee duties, a 5 percent increase respectively.

6. [Election of members to the Board of Directors](#)

At present, the Board of Directors consists of the following members elected by the general meeting: Anders Runevad, Bert Nordberg, Bruce Grant, Carsten Bjerg, Eva Merete Søfelde Berneke, Helle Thorning-Schmidt, Karl-Henrik Sundström, and Lars Josefsson.

All board members elected by the general meeting are up for election. The Board of Directors proposes re-election of Anders Runevad, Bert Nordberg, Bruce Grant, Eva Merete Søfelde Berneke, Helle Thorning-Schmidt, Karl-Henrik Sundström, and Lars Josefsson.

Carsten Bjerg has announced that he does not stand for re-election. The Board of Directors proposes that Kentaro Hosomi, is elected as new member of the Board of Directors, ref. company announcement no. 33/2020 of 29 October 2020.

Further information about the nominated candidates can be found in appendix 1.

7. [Appointment of auditor](#)

The Board of Directors proposes re-appointment of PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab pursuant to the Audit Committee's recommendation. The Audit Committee has not been influenced by third parties nor been subjected to any contractual obligation restricting the general meeting's choice to certain auditors or audit companies.

Further information about the proposed auditor can be found in appendix 2.

8. [Proposals from the Board of Directors](#)

8.1 [Amendment of the Company's Remuneration Policy](#)

The Board of Directors proposes that an amended Remuneration Policy, as approved by the Board of Directors, be adopted by the general meeting.

The proposed amendments to the Remuneration Policy concern the variable remuneration to the Executive Management, in sections 3.1 "Annual fixed salary" and 3.4 "Variable components" to simplify the long-term incentive programmes.

<sup>1</sup> Executive Management refers in the Remuneration Report only to members of the Executive Management of the Company registered as such with the Danish Business Authority.

<sup>2</sup> The company may also pay social security taxes and similar taxes which are being levied by non-Danish authorities in relation to the remuneration for membership of the Board of Directors or board committees.

In section 3.1 it is added:

*"The above does not apply to directorships in companies that are not controlled by Vestas and where members of the Executive Management nominated to serve directorships by Vestas may receive a remuneration alongside other directors of such companies."*

In section 3.4 it is added:

*"The actual value of shares vesting for the Executive Management is capped at a maximum value of 300 percent of the annual fixed salary at the time of vesting. If the cap is reached the number of shares vesting will be adjusted accordingly."*

In section 3.4.2 the following is added:

*"However, the actual value of shares vesting for the Executive Management is capped at a maximum value of 300 percent of the annual fixed salary at the time of vesting. If the cap is reached the number of shares vesting will be adjusted accordingly."*

*The performance shares will vest in full three years after the disclosure of the programme.*

*Vestas performance share incentive programme includes the option to allot additional shares with the purpose of retention of members of the Executive Management through non-performance adjusted restricted shares however following the vesting period and all other terms and conditions for the performance share incentives. The additional share incentives are to be used only in extraordinary cases, serving as alternative to cash at sign-on or as retention of members of Executive Management. Selected individuals and number of shares will be approved by the Board of Directors and reported in the Remuneration Report."*

The proposed updated Remuneration Policy can be found in appendix 3 where all changes are marked.

## 8.2 Amendment of the denomination of shares

The Board of Directors proposes that the denomination per share be changed from DKK 1.00 to DKK 0.01 or multiples thereof.

The purpose of the proposal is to make it possible for the Board of Directors at a later stage undertake a share split without changing the underlying value of the Company, subject to the limit stipulated in the Articles of Association, as set out below.

Article 2(1) of the Articles of Association will hereafter read as follows:

*"The Company's share capital amounts to DKK 201,973,452 (two hundred and one million nine hundred and seventy-three thousand four hundred and fifty-two Danish kroner 00/100), divided into shares in the denomination of DKK 0.01 or multiples thereof."*

As a consequence of the adoption of this proposal, the Board of Directors proposes consequential changes to article 3(1) of the Articles of Association where the reference to the number of shares will be deleted. The proposed updated wording is set out under agenda item 8.3. below.

Also, article 3(3) of the Articles of Association will similarly hereafter read as follows:

*"On 29 October 2020, the Board of Directors decided to exercise the authorisation set out in article 3(1), b) partially by increasing the Company's share capital with nominally 5,049,337 through contribution in kind without pre-emptive rights for the Company's existing shareholders, and accordingly the remaining authorisation to increase the share capital set out in article 3(1), a) and b) total a nominal amount of DKK 16,500,357."*

As a further consequence, article 6(1) will be amended specifying that each share amount of DKK 0.01 will entitle the holder to one vote.

It is the intention of Board of Directors to carry out a share split in the ratio of 1:5 during the first half of 2021 so that each existing share of nominally DKK 1.00 is divided into five new shares of nominally DKK 0.20.

## 8.3 Renewal and amendment of the authorisations to increase the share capital

The Board of Directors proposes that the authorisations of the Board of Directors to increase the Company's share capital is renewed so it is valid until 1 April 2026 and allowing an increase of the share capital by a total nominal amount of DKK 20,197,345. The below wording of the Articles of Association is dependent on item 8.2. above obtaining approval.

Article 3(1) of the Articles of Association will hereafter read as follows:

*"a) The Board of Directors is authorised to increase the share capital with pre-emptive rights for the Company's existing shareholders by issuing new shares in one or more rounds of up to a total nominal amount of DKK 20,197,345."*

*The authorisation is valid until 1 April 2026.*

b) The Board of Directors is authorised to increase the share capital without pre-emptive rights for the Company's existing shareholders by issuing new shares in one or more rounds of up to a total nominal amount of DKK 20,197,345. The subscription price for the new shares shall at least correspond to the market value.

The authorisation is valid until 1 April 2026.

c) The Board of Directors' authorisations pursuant to sections a) and b) applies to a total issue of new shares at an aggregate nominal value not exceeding DKK 20,197,345. The increase of the share capital may take place by payment in cash, by contribution of assets other than cash, by conversion of debt or by issuance of bonus shares."

No changes will be made to article 3(2) but article 3(3) will be deleted.

- 8.4 Authorisation to hold general meetings electronically  
The Board of Directors proposes to adopt a new article 4(3) in the Articles of Association whereby the Board of Directors is authorised to resolve that the Company's general meetings shall be held entirely via electronic means without any physical attendance, in accordance with section 77(2) of the Danish Companies Act.

The proposal is made to create the greatest possible flexibility for the Company when preparing and holding the Company's general meetings but also in line with Vestas' sustainability strategy: Sustainability in Everything We Do.

The new article 4(3) to be included in the Articles of Association will read as follows:

*"If the Board of Directors finds it appropriate, and if the General Meeting can be conducted in a responsible manner, the Board of Directors may decide that the General Meeting shall be held as a fully electronic General Meeting. If so decided, shareholders will be able to attend, express their opinion, and vote at the General Meeting by electronic means. Detailed information on the procedures for electronic attendance and participation will be made available on the Company's website and in the relevant notices convening the General Meeting."*

The Board of Directors notes that it plans to continue to hold general meetings with the possibility of physical attendance and to apply the authorisation only when the Board of Directors considers it necessary or appropriate, e.g. with a view to observe legislative restrictions or recommendations from public authorities in connection with pandemics or other extraordinary events.

As a consequence of inserting a new article 4(3) in the Articles of Association, the numbering of the subsequent sections will be updated accordingly.

- 8.5 Resolution to grant authorisation to adopt electronic communication

The Board of Directors proposes to adopt a new article 13 in the Articles of Association thereby granting the Board of Directors the option to elect to have all communication from the Company to its shareholders take place by electronic means in accordance with section 92 of the Danish Companies Act.

The proposal is made to create the greatest possible flexibility for the Company in the future in terms of communicating with its shareholders and due to the increasing digitalisation of society.

The new article 13 to be included in the Articles of Association will read as follows:

*"Article 13 Electronic communication*

- (1) The Board of Directors is authorised to resolve that communication from the Company to the shareholders may take place electronically. All communication from the Company to the individual shareholders, including notices convening General Meetings and distribution of annual reports, may take place by electronic means by email or through the website of the Company, and general notices shall be accessible to the shareholders on the Company's website, unless otherwise provided for by law. The Company may at any time decide to communicate with shareholders by ordinary mail.*
- (2) Shareholders shall be responsible for ensuring that the Company is in possession of the correct email address at all times.*
- (3) Information regarding the requirements for the systems used and the procedures for electronic communication will be available on the Company's website.*
- (4) Upon decision by the Board of Directors pursuant to article 13(1) to introduce electronic communication, the Company will publish an announcement on the Company's website. The announcement will also be sent by ordinary mail to shareholders who have requested to receive notices of General Meetings by ordinary mail.*
- (5) The Board of Directors is authorised to amend article 13(1) and to repeal articles 13(4) and 13(5)."*

If the new article 13 of the Articles of Association is adopted, the current article 4(4) will be amended accordingly as follows:

"(4) *General Meetings shall be convened by the Board of Directors by giving no more than five weeks' notice and not less than three weeks' notice calculated from the day before the General Meeting. The notice shall be forwarded to all shareholders recorded in the register of shareholders, who have so requested. The notice convening General Meetings is also published on the Company's website.*"

8.6 Authorisation to the Board of Directors to distribute extraordinary dividend

The Board of Directors proposes that the general meeting grants the Board of Directors an authorisation to resolve to pay extraordinary dividends in accordance with the Danish Companies Act.

The proposal is made to create the greatest possible flexibility for paying out dividends by the Company, if and when deemed appropriate taking into consideration the financial position of Vestas. There are currently no plans to pay out extraordinary dividends.

8.7 Renewal of the authorisation to acquire treasury shares

The Board of Directors proposes, pursuant to section 198 of the Danish Companies Act, that the Board of Directors be granted an authorisation to allow the Company to acquire treasury shares in the period until 31 December 2022 up to an aggregate of 10 percent of the Company's share capital at the time of the authorisation, provided

that the Company's total holding of treasury shares does not at any time exceed 10 percent of the Company's share capital. The purchase price paid in connection with acquisition of treasury shares must not deviate from the price quoted on Nasdaq Copenhagen at the time of acquisition by more than 10 percent.

9. [Authorisation of the chairman of the general meeting](#)

The Board of Directors proposes that the general meeting authorises the chairman 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.

10. [Any other business](#)

Aarhus, 5 March 2021

Vestas Wind Systems A/S  
On behalf of the Board of Directors

Bert Nordberg  
Chairman of the Board of Directors

## Further information

### Majority requirements

The proposals under agenda items 8.2, 8.3, 8.4, and 8.5 must be adopted by a majority of not less than two thirds of all votes cast and of the share capital represented. All remaining proposals may be adopted by a simple majority of votes. The Remuneration Report 2020 is presented for advisory vote.

### Share capital and voting rights

The Company's share capital amounts to nominally DKK 201,973,452 divided into shares of DKK 1 each. Each share amount of DKK 1 carries one vote.

The right of a shareholder to attend a general meeting and to vote in respect of his/her shares is determined on the basis of the shares held by the shareholder at the record date. The shareholdings and voting rights are calculated on the basis of entries in the shareholders' register and any notice of ownership received by the Company for the purpose of registration in the register of shareholders.

Shareholders wishing to exercise their rights are encouraged to contact their depository bank well in advance of the record date to ensure correct and sufficient registration.

The record date is Thursday 1 April 2021.

Furthermore, participation is conditional upon the shareholder having timely notified the Company of his/her attendance as described below.

### Information to online participants

In order to protect the health and safety of all, and given the Danish authorities' restrictions on assembly, we strongly recommend that shareholders make use of the possibility to give proxy or vote by correspondence and follow the Annual General Meeting via live stream instead of attending in person.

The Annual General Meeting will be broadcasted live in Danish and English. For shareholders attending online, a link will be available at the corporate website – [vestas.com/en/investor](https://vestas.com/en/investor).

Please notice:

- Log on in due time.
- It is a live webcast and no replay will be available subsequently.
- Shareholders participating online will need to vote and ask questions in advance.

### Attendance and admission

Shareholders wishing to attend the Annual General Meeting must notify the Company of their attendance no later than Tuesday 6 April 2021 at 3:00 pm (CEST).

Notification of attendance may be done:

- via Vestas' InvestorPortal at the Company's website ([vestas.com/investor/general\\_meeting](https://vestas.com/investor/general_meeting)) or
- by returning the registration form which can be downloaded from the website.

If the form is used, it must be completed and returned to VP Securities A/S, Weidekampsgade 14, 2300 Copenhagen S, Denmark and must be received by VP Securities A/S before the deadline. A scanned copy of the form may also be sent by email to [vpinvestor@vp.dk](mailto:vpinvestor@vp.dk).

Shareholders who want to bring an advisor/guest must state the name of the guest when ordering admission cards.

As the admission cards are sent electronically via email, shareholders wanting to attend the Annual General Meeting in person are asked to register their email address in Vestas' InvestorPortal. If the shareholder does not have an email address, the admission card may be sent by ordinary mail.

The electronic admission card must be presented at the general meeting on e.g. a smartphone or tablet. The shareholder may as an alternative bring a printed version of the admission card.

On 8 April 2021, registration of admission cards will begin at 4:00 pm (CEST).

### Proxy

Shareholders can vote by proxy no later than Tuesday 6 April 2021 at 3:00 pm (CEST).

The proxy form can be submitted:

- electronically via Vestas' InvestorPortal at the Company's website ([vestas.com/investor/general\\_meeting](https://vestas.com/investor/general_meeting)) - requires an electronic access code or
- in writing by using the proxy form, which can be downloaded from the website.

If the form is used, it must be completed, signed and received by VP Securities A/S before the deadline, see the mailing address/email address set out above in the section regarding attendance and admission.

#### Votes by correspondence

Shareholders can vote by correspondence no later than Wednesday 7 April 2021 at 12:00 noon (CEST).

The vote by correspondence can be submitted:

- electronically via Vestas' InvestorPortal at the Company's website ([vestas.com/investor/general\\_meeting](https://vestas.com/investor/general_meeting)) - requires an electronic access code or
- by returning the correspondence vote form which can be downloaded from the website.

If the form is used, it must be completed, signed and received by VP Securities A/S before the deadline, see the mailing address/email address set out above in the section regarding attendance and admission.

#### Dividends

Dividend is expected to be available on the shareholders' accounts on Tuesday 13 April 2021, provided that the Board of Directors' proposal under agenda item 3 is approved by the general meeting.

#### Electronic voting

An electronic voting device – e-voter – may be used for voting at the Annual General Meeting. The e-voter will be handed out in connection with the registration of admission cards. The e-voter must be returned after the Annual General Meeting.

#### Interpretation

The Annual General Meeting will in general be conducted in Danish. However, the Chairman of the Board of Directors will make his presentation and answer questions in English.

Equipment to be used for simultaneous interpretation into English or Danish will be handed out at the entrance.

#### Refreshments

Refreshments, if any, will be subject to COVID-19 restrictions applicable at the time of the general meeting.

#### Questions from shareholders

Until the date of the Annual General Meeting, shareholders may submit questions concerning the agenda or other documents to be used at the Annual General Meeting. Questions must be submitted in writing to Vestas Wind Systems A/S, Hedeager 42, 8200 Aarhus N, Denmark, attn.: the board secretariat or by email to [vestasAGM@vestas.com](mailto:vestasAGM@vestas.com).

The Company will aim to answer such questions in writing before the Annual General Meeting. Submitted questions and answers will be published on the Company's website.

#### Additional information

On the Company's website ([vestas.com/investor/general\\_meeting](https://vestas.com/investor/general_meeting)), the following information is available:

- The notice convening the meeting (the agenda/the complete proposals)
- The Annual Report 2020
- The Remuneration Report 2020
- The proposed updated Articles of Association
- The proposed updated Remuneration Policy
- The total number of shares and voting rights on the date of the notice
- The registration form
- The proxy and vote by correspondence form
- Link to Vestas' InvestorPortal

From Friday 5 March 2021 until and including Thursday 8 April 2021, the above information will also be available for inspection by the shareholders at the Company's headquarters in Aarhus, Denmark.

#### Personal data – GDPR

For further information on how the Company collects and processes personal data, reference is made to Vestas' Privacy Policy ([vestas.com/en/about/profile/privacy-policy](https://vestas.com/en/about/profile/privacy-policy)).



## Appendix 1

### Election of members to the Board of Directors

Pursuant to Vestas Wind Systems A/S' Articles of Association, the Board of Directors shall consist of five to ten members to be elected by the general meeting for a term of one year.

Board members elected by the general meeting may be recommended for election by the shareholders or by the Board of Directors.

#### Recruitment criteria

In connection with the election of board members by the general meeting, the retiring Board of Directors shall nominate candidates for the vacant offices on the board in order to ensure that the shareholders are able to elect a continuing Board of Directors.

When proposing candidates for board membership, the Board of Directors strives to ensure that the Board of Directors:

- is able to act independently of special interests;
- represents a balance between continuity and renewal;
- matches the Company's situation;
- is knowledgeable of the industry and has the business and financial competencies necessary to ensure that the Board of Directors can perform its duties in the best way possible; and
- reflects the competencies and experience required in order to manage a company with shares registered for trade on a stock exchange and fulfil its obligations as a listed company.

The Board of Directors uses external assistance for the search process and assessment of the profiles and qualifications specifically required in order to complement the expertise reflected in the overall composition of the Board of Directors.

#### Information about proposed candidates

The information on the following pages describes the competencies and directorships with other Danish and foreign listed and non-listed companies and organisations as disclosed by the board member candidates.

The Company's Articles of Association do not include restrictions concerning the number of times a director may be re-elected to the Board of Directors. The Board of Directors finds that seniority in itself is not a crucial criterion, but that long seniority and extensive experience can be highly beneficial to the Company.

The Board of Directors finds that the candidates proposed by the Board of Directors represent broad international business management experience.

In the light of the Company's development and expectations for future growth, continuity in the composition of the Board of Directors has been a major advantage to the Company, and the Board of Directors assesses that there is still a need for such continuity.

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## Mr Anders Runevad

Born: 16 March 1960  
Nationality: Swedish  
Resident: Sweden  
Position: Professional board member

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### Position with Vestas Wind Systems A/S

Member of the Board since 2020.  
Member of the Nomination & Compensation Committee.  
Member of the Technology & Manufacturing Committee.

Does not meet the definition of independence as set out by the Danish Corporate Governance Committee.

### Shareholding

Vestas shareholding: 8,096 shares.

### Competencies

#### Education

1985-1989 MBA studies, University of Lund  
1980-1984 Master of Science in Electrical Engineering, University of Lund

#### Former positions

2013-2019 Group President & CEO, Vestas Wind Systems A/S  
2010-2013 President Region West & Central Europe, Ericsson  
2006-2010 Executive Vice President, Sony Ericsson  
2004-2006 President, Ericsson Brazil  
2000-2004 Vice President, Sales and Marketing, Business unit Network, Ericsson AB  
1996-2000 President, Ericsson Singapore  
1991-1996 Product Manager / Director Product Management, LM Ericsson Group  
1989-1991 Product Manager, Ericsson-General Electric USA  
1985-1989 Various positions at LM Ericsson Group

#### Special competencies

Competencies specifically essential to the work of the Board of Vestas Wind Systems A/S: In-depth knowledge of the renewable energy industry. Experience from leading an international listed company. Knowledge in International business, strategy development and implementation, corporate management, sales, product development, and operation.

### Fiduciary positions

Chairman of the board of PGA Sweden National AB. Member of the boards of Nilfisk Holding A/S<sup>3</sup>, Peab AB<sup>3</sup>, and Schneider Electric SE<sup>3</sup>.

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## Mr Bert Nordberg

Born: 23 March 1956  
Nationality: Swedish  
Resident: Sweden  
Position: Professional board member

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### Position with Vestas Wind Systems A/S

Member of the Board since 2012 and re-elected for subsequent terms, most recently in 2020.  
Chairman of the Board since 2012.  
Chairman of the Nomination & Compensation Committee.  
Member of the Audit Committee.

Meets the definition of independence as set out by the Danish Corporate Governance Committee.

### Shareholding

Vestas shareholding: 14,600 shares.<sup>4</sup>

### Competencies

#### Education

1985-1986 Courses in International Management, Marketing and Finance at INSEAD University  
1979-1980 Engineer in the Swedish Marines from Berga  
1976-1979 Degree in Electronic Engineering

#### Former positions

2009-2012 President & CEO, Sony Mobile Communications AB  
2008-2009 Head of Ericsson Silicon Valley, Telefonaktiebolaget LM Ericsson  
2004-2008 Executive Vice President of Sales and Marketing, LM Ericsson Group  
2003-2004 Senior Vice President of Group function Sales and Marketing, LM Ericsson Group  
2002-2003 Head of Business Unit Systems, LM Ericsson Group  
2001-2002 Head of Business Unit Global Services, LM Ericsson Group  
2000-2004 Executive Vice President of Division Global Services, LM Ericsson Group  
1999-2000 Executive Vice President of Ericsson Services, LM Ericsson Group  
1996-2000 Head of Enterprise Services, LM Ericsson Group  
1980-1996 Various management positions at Digital Equipment Corporation and Data General Corp

#### Special competencies

Competencies specifically essential to the work of the Board of Vestas Wind Systems A/S: In-depth knowledge of restructuring, services and infrastructure business; several years of international business experience; development market knowledge.

### Fiduciary positions

Chairman of the board of Sigma Connectivity AB (a private company). Member of the boards of Essity AB<sup>3</sup>, Saab Group AB<sup>3</sup>, and Svenska Cellulosa Aktiebolaget SCA<sup>3</sup>.

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<sup>3</sup> Company listed on a stock exchange.

<sup>4</sup> The mentioned number of shares includes both own and related parties' total shareholding.

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## Mr Bruce Grant

Born: 30 May 1959  
Nationality: American  
Resident: USA  
Position: Executive Chairman, Applied Value LLC

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### Position with Vestas Wind Systems A/S

Member of the Board since 2019 and re-elected in 2020.  
Member of the Technology & Manufacturing Committee.

Meets the definition of independence as set out by the Danish Corporate Governance Committee.

### Shareholding

Vestas shareholding: 0 shares.

### Competencies

#### Education

1981-1984 PhD Cand. Industrial Management,  
Chalmers University of Technology  
1977-1981 MSc., Business Economics,  
University of Gothenburg

#### Former positions

1995-1997 President, Arthur D. Little North America  
1993-1995 President, Arthur D. Little Scandinavia

#### Special competencies

Competencies specifically essential to the work of the Board of Vestas Wind Systems A/S: In-depth knowledge of strategy and turn-around implementation in the renewable industry and large, global industrial companies. Expert on sourcing the steel market and in depth knowledge of the US market.

### Fiduciary positions

Chairman of the boards of Applied Invest LLC, Applied VenCap LLC, and Human Care Corporation. Deputy chairman of the board of CosmosID, Inc. Member of the boards of RiverMeadow LLC and Swedish-American Chamber of Commerce, Inc.

### Positions of trust

Chairman of the board of Hand in Hand International.

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## Ms Eva Merete Søfelde Berneke

Born: 22 April 1969  
Nationality: Danish  
Resident: Denmark  
Position: CEO, KMD A/S

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### Position with Vestas Wind Systems A/S

Member of the Board since 2019 and re-elected in 2020.  
Member of the Nomination & Compensation Committee.  
Member of the Audit Committee.

Meets the definition of independence as set out by the Danish Corporate Governance Committee.

### Shareholding

Vestas shareholding: 2,659 shares<sup>5</sup>.

### Competencies

#### Education

1994-1995 MBA program, INSEAD University  
1988-1992 Master of Mechanical Engineering,  
Technical University of Denmark  
1990-1991 Master studies, Economics, École Centrale Paris

#### Former positions

2012-2017 Senior Executive Vice-President, TDC A/S  
2009-2011 Chief of Staff, TDC A/S  
2007-2009 Chief Strategy Officer and  
member of Group Management, TDC A/S  
1998-2007 Partner, McKinsey & Co.  
1993-1998 Consultant and Engagement Manager,  
McKinsey & Co.

#### Special competencies

Competencies specifically essential to the work of the Board of Vestas Wind Systems A/S: In-depth knowledge of corporate management including knowledge of strategy execution, management of a listed company, digitalisation, and IT.

### Fiduciary positions

Deputy chairman of the board of Edlund A/S. Member of the boards of Danmarks Nationalbank, Ecole Polytechnique, KMD Venture A/S, and LEGO A/S.

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<sup>5</sup> The mentioned number of shares includes both own and related parties' total shareholding.

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## Ms Helle Thorning-Schmidt

Born: 14 December 1966  
Nationality: Danish  
Resident: United Kingdom  
Position: Professional board member

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### Position with Vestas Wind Systems A/S

Member of the Board since 2019 and re-elected in 2020.  
Member of the Nomination & Compensation Committee.

Meets the definition of independence as set out by the Danish Corporate Governance Committee.

### Shareholding

Vestas shareholding: 0 shares.

### Competencies

#### Education

1992-1993 Master's Degree in European Studies from the College of Europe in Bruges  
1987-1994 Master's Degree in Political Science from the University of Copenhagen

#### Former positions

2011-2015 Prime Minister of Denmark  
2005-2015 Member of Danish Parliament and leader of the Social Democratic Party  
1999-2004 Member of the European Parliament

#### Special competencies

Competencies specifically essential to the work of the Board Vestas Wind Systems A/S: In-depth knowledge of governmental affairs and political environments as well as strategic management of international and political organisations.

### Fiduciary positions

Chair of the board of SelectionF ApS. Member of the boards of Carsoe Group A/S, DJE Holdings Limited, SafeLane Global Limited, and The Fertility Partnership Limited.

### Positions of trust

Chair of the board of Danish Football Union's (DBU) Governance and Development Committee. Member of the boards of Islamic Development Bank and Schwab Foundation for Social Entrepreneurship. Members of the advisory boards of Algebris Research & Policy Forum, Atlantic Council, Council on Foreign Relations, and US Council on Foreign Relations. Members of the councils of 21st Century Council – The Bergguen Institute and European Council on Foreign Relations. Member of the board trustee of the International Crisis Group. Member of the International Commission of Financing Global Education Opportunity.

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## Mr Karl-Henrik Sundström

Born: 10 April 1960  
Nationality: Swedish  
Resident: Sweden  
Position: Professional board member

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### Position with Vestas Wind Systems A/S

Member of the Board since 2020.  
Chairman of the Audit Committee.

Meets the definition of independence as set out by the Danish Corporate Governance Committee.

### Shareholding

Vestas shareholding: 1,640 shares.

### Competencies

#### Education

1997 Advanced Management Program, Harvard Business School  
1985-1987 Trainee Financial Management, LM Ericsson Group  
1982-1985 Business Administration, specialising in Finance and Accounting, Uppsala University  
1979-1981 Royal Coast Artillery, Rank Master Sergeant and Boat Chief, Military Service

#### Former positions

2014-2019 CEO, Stora Enso AB  
2013-2014 Executive Vice President – Printing & Living, Stora Enso AB  
2012-2013 CFO & Executive Vice President, Stora Enso AB  
2008-2012 CFO & Executive Vice President, NXP Semiconductors N.V.  
2003-2007 CFO & Executive Vice President, LM Ericsson Group  
2002-2003 Vice President and Head of Ericsson Global Services, LM Ericsson Group  
1999-2002 Managing Director Ericsson Australia, LM Ericsson Group  
1997-1999 Corporate Treasurer and Senior Vice President, LM Ericsson Group  
1992-1997 Business Area Controller Public Telecommunications, LM Ericsson Group  
1988-1991 CFO for Compania Argentina de Telefonos, LM Ericsson Group  
1985-1988 Various positions within the LM Ericsson Group  
1982-1985 Foreign Currency Dealer, Svenska Handelsbanken

#### Special competencies

Competencies specifically essential to the work of the Board of Vestas Wind Systems A/S: In-depth knowledge of sustainability, strategy, accounting and finance. International experience of marketing and sales of capital goods.

### Fiduciary positions

Chairman of the boards of Baffin Bay Networks AB and TrackLib AB. Member of the boards of Mönlycke Health Care AB, NXP Semiconductors N.V.<sup>6</sup>, Sustainable Energy Angels AB, and Tellus Fonder AB.

### Positions of trust

Chairman of the tax delegation for Swedish Business and Commerce, the Committee for Swedish participation in Expo 2020, and Climate Leadership Coalition. Member of the board of the Marcus Wallenberg Foundation.

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<sup>6</sup> Company listed on a stock exchange.

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## Mr Lars Josefsson

Born: 31 May 1953  
Nationality: Swedish  
Resident: Sweden  
Position: Independent consultant

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### Position with Vestas Wind Systems A/S

Member of the Board since 2012 and re-elected for subsequent terms, most recently in 2020.  
Deputy Chairman since 2012.  
Chairman of the Technology & Manufacturing Committee.

Meets the definition of independence as set out by the Danish Corporate Governance Committee.

### Shareholding

Vestas shareholding: 3,500 shares.

### Competencies

#### Education

1990 International Advanced Management Programme (IAMP)  
1984-1985 Degree in Business Economics, University of Uppsala  
1973-1977 Master of Science, School of Engineering Physics, Chalmers University of Technology

#### Former positions

2012-2013 CEO, Micronic Mydata AB  
2011-2012 CEO, Alimak Hek AB  
2004-2011 President, Sandvik Mining and Construction  
2003-2004 President, Siemens Industrial Turbines AB  
1999-2003 President, ALSTOM Power Sweden AB  
1977-1999 Various management positions at ABB

#### Special competencies

Competencies specifically essential to the work of the Board of Vestas Wind Systems A/S: In-depth knowledge of managing international companies including research, development, technology and production.

### Fiduciary positions

Chairman of the board of TimeZynk AB. Member of the boards of Holmen AB<sup>7</sup> and Ouman Oy.

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## Mr Kentaro Hosomi

Born: 20 August 1957  
Nationality: Japanese  
Resident: Japan  
Position: Chief Regional Officer, Europe, Middle East & Africa, Mitsubishi Heavy Industries, Ltd.<sup>8</sup>

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Meets the definition of independence as set out by the Danish Corporate Governance Committee.

### Shareholding

Vestas shareholding: 0 shares.

### Competencies

#### Education

1976-1980 Earned Bachelor of economics degree from University of Tokyo

#### Former positions

2019-2021 Executive Vice President & COO, Head of Energy Systems, Mitsubishi Heavy Industries, Ltd.<sup>7</sup>  
2017-2019 Senior Vice President & Deputy Head of Power Systems, Mitsubishi Heavy Industries, Ltd.  
2014-2019 Head of Nuclear IPP Development Department, Energy & Environment, Mitsubishi Heavy Industries, Ltd.  
2011-2014 General Manager, Business Development & Strategic Planning Dept., Power Systems, Mitsubishi Heavy Industries, Ltd.  
1980-2011 Various positions within Mitsubishi Heavy Industries, Ltd.

#### Special competencies

Competencies specifically essential to the work of the Board of Vestas Wind Systems A/S: In-depth knowledge of power systems and energy industries. Wide experience in business development and sales of power systems ranging from thermal, nuclear and renewable energy.

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<sup>7</sup> Company listed on a stock exchange.

<sup>8</sup> Resigns as Executive Vice President & COO, Head of Energy Systems, Mitsubishi Heavy Industries, Ltd. as of 31 March 2021 as he has been appointed Chief Regional Officer, Europe, Middle East & Africa Mitsubishi Heavy Industries, Ltd. as of 1 April 2021.

## Appendix 2 Appointment of auditor

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### PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Nobelparken  
Jens Christian Skous Vej 1  
8000 Aarhus C  
Denmark  
Company reg. no. 33771231

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#### Signing partners

An auditor may as a main rule only be the signing partner for a listed company for up to seven years according to the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark. This is to ensure the auditor's independence in relation to the company.

#### Claus Lindholm Jacobsen

Partner, PricewaterhouseCoopers, Denmark  
State Authorised Public Accountant

Appointed signing partner for the annual reports 2018-2020.

#### Special insight into

Auditing, IFRS, and advice to global companies within finance organisation and optimisation.

#### Experience

Global industrial groups headquartered in Denmark within the private sector.

#### Kim Tromholt

Partner, PricewaterhouseCoopers, Denmark  
State Authorised Public Accountant

Appointed signing partner for the annual reports 2015-2020.

#### Special insight into

Auditing, IFRS, acquisition and sale of companies, and internal controls.

#### Experience

International groups headquartered in Denmark within the private sector.

#### Policy for procurement of audit and non-audit services

The Vestas Group's auditors may be used, within certain parameters, for certain non-audit services, and they may often be the preferable choice due to business knowledge, confidentiality, and cost considerations. Vestas has a policy for non-audit services ensuring that the provision of non-audit services to the Group does not impair the auditor's independence or objectivity. The Audit Committee is responsible for the development and maintenance of this policy and monitors compliance.

During 2020, audit and non-audit services provided by the Group auditors globally totalled EUR 4 million, of which 76 percent is audit related – the ratios have been calculated in accordance with guidelines prepared by certain proxy advisors. Excluding significant projects that are considered one-off in nature, audit related services accounted for 81 percent of audit and non-audit services provided by the Group auditors globally in 2020.

#### Independent auditor's report

Regarding the independent auditor's report on Vestas Group's Consolidated Financial Statements and Vestas Wind Systems A/S' Parent Company Financial Statements, please see the Annual Report 2020, pages 129-131.

#### Appointment of auditor

Each year, Vestas' annual report is audited by an independent external audit firm appointed annually by the shareholders at the Annual General Meeting. Retiring auditors are eligible for re-appointment.

PricewaterhouseCoopers was first appointed auditors of Vestas Wind Systems A/S on 5 May 1999 for the financial year 1999. They have been reappointed for subsequent terms, most recently in 2020.

The Board of Directors proposes re-appointment of PricewaterhouseCoopers pursuant to the Audit Committee's recommendation. The Audit Committee has not been influenced by third parties nor been subjected to any contractual obligation restricting the general meeting's choice to certain auditors or audit companies.

## Appendix 3 Remuneration Policy

### 1. Purpose and remuneration principles/objectives

This remuneration policy (Remuneration Policy) is designed to attract, motivate and retain qualified members of the Board of Directors (the Board) and the Executive Management of Vestas Wind Systems A/S (the Company), and reflects the interests of the Company's shareholders and stakeholders. The Executive Management refers in this policy only to members of the Executive Management of the Company registered as such with the Danish Business Authority.

The Remuneration Policy is prepared in accordance with sections 139 and 139a of the Danish Companies Act.

The policy is reviewed by relevant internal stakeholders reflecting legislative updates, good corporate governance as well as any feedback regarding the Remuneration Policy or the remuneration report (Remuneration Report) received at the Annual General Meeting from shareholders. The policy will be reviewed annually by the Company's Nomination & Compensation Committee. In case of significant changes to the policy, or at least every fourth year, the Remuneration Policy will be presented for approval by the shareholders at the Company's Annual General Meeting.

To avoid conflicts of interest in the review of the Remuneration Policy, the Company involves both various internal stakeholders and an external partner in reviewing and amending the Remuneration Policy before presenting it for approval at the Annual General Meeting. To avoid conflicts of interest in relation to the actual remuneration, the shareholders approve the remuneration of the Board at the Annual General Meeting. The remuneration of the Executive Management outlined in this Remuneration Policy is based on a recommendation from the Nomination & Compensation Committee and later approved by the Board in order to mitigate the risk of conflicts of interest.

The remuneration of the Board and the Executive Management must support Vestas' strategic goals and promote long-term value creation aligned with the interest of the Company's shareholders. Through involvement of internal stakeholders and the Nomination & Compensation Committee, Vestas' strategy for sustainability is considered as part of the strategic input for the overall compensation design for Executive Management. Vestas' vision of being the global leader in sustainable energy solutions requires Vestas to sustain a talented, agile and cost-effective organisation. This combined with the long-term performance of the company and the corporate values – Simplicity, Collaboration, Accountability, and Passion – guides the overall principles for and the individual elements of remuneration for both the Board and the Executive Management. To ensure that Vestas' remuneration

promotes both strategic goals as well as long-term value creation and sustainability, the Remuneration Policy includes both fixed remuneration, short-term incentives, and long-term incentives.

With due consideration of market practice for remuneration and other terms of employment for boards of directors and executive management in comparable companies and the duties and responsibilities of the Board and Executive Management, the Board considers the Remuneration Policy to be appropriate in relation to the pay and employment conditions of Vestas' non-executive employees. Vestas uses the same methodology and approach for the review and benchmarking of remuneration levels for all positions with consideration of, among others, the impact and scope of the position.

### 2. Remuneration to the Board of Directors

The remuneration of the Board and its committees is set to match the remuneration levels in comparable companies, considering the Board members' required competencies, efforts and the scope of the board's work, including the number of meetings.

Board members elected by the employees receive the same remuneration as the board members elected by the Annual General Meeting.

Members of the Board are remunerated with a fixed annual fee and shall not be covered by incentive programmes or otherwise be entitled to variable remuneration.

The remuneration of the Board members for the past year is presented as part of the annual Remuneration Report. The level of Board remuneration for the current year is approved at the Annual General Meeting.

#### 2.1 Fixed remuneration

Members of the Board receive a fixed cash payment (basic board remuneration).

The basic board remuneration for the chairman corresponds to triple basic Board remuneration, and for the deputy chairman it corresponds to double basic board remuneration, provided to compensate for their extended board duties.

#### 2.2 Committee remuneration

Board members who are also members of one of the board committees are paid an annual committee remuneration. The committee remuneration is determined as a base fee, and the

committee chairman receives an additional remuneration of 80 percent of the committee remuneration.

The total committee remuneration which a member of the Board can receive annually is capped at 200 percent of the basic board remuneration applicable to each board member.

### 2.3 Remuneration for ad hoc tasks

Individual board members may take on specific ad hoc tasks outside their normal duties assigned by the Board. In each case, the Board shall determine a fixed remuneration for the work carried out in relation to those tasks. The fixed remuneration will be presented for approval at the following Annual General Meeting.

Additional compensation may be offered for board members taking up board responsibilities on behalf of Vestas in joint ventures and/or Vestas' subsidiaries. If payable by Vestas or a subsidiary of Vestas, the Board shall determine a fixed remuneration for the work carried out in relation to those tasks. The fixed remuneration will be presented for approval at the following Annual General Meeting.

The total ad hoc remuneration a member of the Board can receive annually is capped at 150 percent of the basic board remuneration applicable to each board member.

### 2.4 Social security taxes and similar taxes

Vestas may pay social security taxes and similar taxes imposed by non-Danish authorities in relation to the remuneration. Such payments to a member of the Board are capped annually at 50 percent of the basic board remuneration applicable to each board member.

### 2.5 Shareholding obligations

A board member elected by the General Meeting is obligated to maintain a holding of Vestas shares. The value of this holding must have a value equal to or above the gross value of the total annual basic board remuneration received by each individual board member, as approved by the General Meeting.

The board members have five years to accumulate the guided shareholdings, and the Nomination & Compensation Committee will assess the compliance annually in connection with the preparation of the Remuneration Report. Evaluation of the shareholdings and any individual exception follow the guidance set by the Nomination & Compensation Committee. The Board can allow for a short period of individual exception.

### 2.6 Board member election and remuneration

Board members elected by the General Meeting shall retire at the following Annual General Meeting and no compensation will be offered to board members who are not re-elected.

### 2.7 Compensation in the event of a takeover of Vestas

In the event of any takeover, retiring board members will not receive any compensation for their lost board remuneration and similar benefits.

### 2.8 Reimbursement of expenses

Actual expenses incurred by the board member in connection with board and committee meetings or in connection with the performance of the board member's duties are reimbursed.

### 2.9 Pension scheme

The Board is not covered by any Vestas pension scheme.

### 2.10 Insurance

The Board is covered by a directors and officers liability insurance paid by Vestas.

## 3. Remuneration to the Executive Management

This Remuneration Policy describes the terms and governance for remuneration of members of Executive Management registered with the Danish Business Authority.

The Board believes that a combination of fixed and performance-based pay to the Executive Management contributes to Vestas' ability to attract and retain key employees. The variable remuneration of the Executive Management is an incentive to create added value aligned with the interests of the Company's shareholders and enables flexible remuneration costs.

Members of Executive Management are individually employed under executive service contracts, facilitated by the Board and the Nomination & Compensation Committee in accordance with this policy.

The Nomination & Compensation Committee submits proposals concerning the remuneration of Executive Management for approval by the Board, and ensures the proposals are in line with conditions in comparable companies.

Executive Management receives a competitive remuneration package consisting of the following fixed and variable components:

- Fixed remuneration (annual fixed salary)
- Ancillary benefits
- Variable remuneration
  - Cash bonus (short-term incentives)
  - Performance shares (long-term incentives)
- Other forms of special remuneration provided for in the Remuneration Policy



### 3.1 Annual fixed salary

The annual fixed salary is set to provide a competitive remuneration to attract and retain members of the Executive Management having the required professional and personal competences. The salary level is decided based on valid market information and is reviewed annually by the Nomination & Compensation Committee against comparable positions as well as the salary development for Vestas' employees in general. When reviewing the salary level, the impact and scope of the roles as well as the size and type of the company is considered to ensure valid market comparison.

Members of the Executive Management do not receive any remuneration for directorships (whether executive positions or board memberships) held in Vestas' subsidiaries or joint ventures.

**The above does not apply to directorships in companies that are not controlled by Vestas and where members of Executive Management nominated to serve directorships by Vestas may receive a remuneration alongside other directors of such companies.**

### 3.2 Ancillary benefits

Members of the Executive Management are entitled to customary work-related benefits, including company car, telephone, internet access, work-related newspapers, magazines, etc. The extent of individual benefits is negotiated with each member of the Executive Management and reflects local market practice.

Furthermore, the Executive Management is covered by Vestas' insurances:

- Accident insurance
- Health insurance
- Directors and officers liability insurance

Members of the Executive Management may also be offered relocation benefits, e.g. housing allowance, children's school tuition fee, and reimbursement of tax.

The value of the benefits and allowances provided to the relevant Executive Management members may not exceed 50 percent of their fixed annual salary.

### 3.3 Pension scheme

Members of the Executive Management are not covered by Vestas' employer administered pension plan, as this is considered included in their annual fixed salary.

### 3.4 Variable components

In addition to the annual fixed salary the Executive Management receives variable remuneration. The variable remuneration reflects both the short- and long-term performance of Vestas. The

variable components shall always be within the limits of the terms of the Remuneration Policy adopted by the General Meeting.

In the event of recruitment of new members to the Executive Management, the Nomination & Compensation Committee may extraordinarily decide to grant a sign-on cash **or share** incentive. The sign-on incentive must be finally approved by the Board and reported as part of the remuneration report presented at the Annual General Meeting. Subject to the same procedure, the Board may also enter into agreements regarding payment of extraordinary severance pay to the Executive Management.

Executive Management is eligible for the following variable remuneration programmes:

- Cash bonus (short-term incentives)
- Performance shares (long-term incentives)

The purpose of the design and use of the two forms of variable remuneration is to ensure alignment of the Executive Management and the shareholders and to motivate the Executive Management to achieve strategic goals and long-term value creation for Vestas.

The balanced approach to short- and long-term performance in the remuneration ensures that Vestas rewards the annual performance as well as the long-term perspective to support a sustainable development of Vestas by avoiding short-term-focused or risky behaviour by the Executive Management.

The annual process for selecting KPIs and setting targets for the incentives is based on Vestas' strategic direction for the coming and future years. The process includes input from each business area and leads to a consolidated strategic prioritisation from the Executive Management and the Board when deciding the KPIs and targets for the coming performance year.

The variable remuneration for the Executive Management is relative to the annual fixed salary as follows:

- Cash bonus: 50 percent of fixed salary on target level – capped at 75 percent of fixed salary
- Performance shares: 100-200 percent of fixed salary on target level **on time of programme allotment** (the number of shares allotted to Executive Management is evaluated annually and assessed by the Nomination & Compensation Committee in comparison with development in the Vestas share price). **The actual value of shares vesting for the Executive Management is capped at a maximum value of 300 percent of the annual fixed salary at the time of vesting. If the cap is reached the number of shares vesting will be adjusted accordingly.**

#### 3.4.1 Cash bonus

Members of the Executive Management participate in an annual cash incentive based on the results for the year. The bonus is intended to ensure the attainment of Vestas' short-term objectives, and payment is dependent on the adoption of the annual report for the relevant financial year.

The bonus pay-out level is defined by a weighted target achievement and is capped at a certain percentage of the individual fixed salary, with the target and maximum pay-out levels set at 50 percent and 75 percent of the annual fixed salary, respectively.

The bonus is based on target achievement on a number of parameters approved by the Board including financial and commercial KPIs such as EBIT margin, free cash flow, revenue, as well as any other approved KPIs aligned to the strategic priorities of the financial year.

Based on input from the Nomination & Compensation Committee, the Board ascertains whether the individual bonus parameters have been met by the relevant members of the Executive Management, based on their insight in the operations of Vestas and any relevant key figures derived from the adopted annual report. An Executive Management member's failure to meet the targets at a defined minimum acceptable performance level may result in the annulment of the bonus for the financial year.

#### 3.4.2 Performance shares

The Executive Management is eligible for participation in a performance share incentive programme. The objective of the programme is to retain members of the Executive Management, create long-term shareholder value, and ensure achievement of Vestas' long-term strategic goals in a sustainable way. The programme is based on restricted performance shares and contains elements of both short- and long-term performance.

The main terms of the programme are disclosed in connection with the Board's approval of the programme. Granting of shares under the programme is contingent on continued employment at the time of vesting, subject to certain good leaver provisions.

The performance shares are conditionally awarded free of charge as annual revolving grants with a three-year vesting period. This ensures a long-term connection to the share price development for the remuneration of the Executive Management. The development of Vestas' share price is a direct indicator of the sustainability of the company – both by displaying the long-term economic condition of the company and due to the correlation of sustainable and responsible companies and better long-term performance.

The Nomination & Compensation Committee can propose for the Board to extraordinarily deviate from any requirements in relation to continued employment or vesting, ref. section 3.10.

For any financial year, the Executive Management may be rewarded with restricted performance shares based on achievement of certain targets. The targets may be KPIs based on financial targets including earnings per share, return on capital employed, the Vestas market share, as well as any other approved KPIs aligned to the strategic priorities of the financial year. All KPIs and targets are defined by the Nomination & Compensation Committee and approved by the Board.

The programme is based on three performance years. The actual number of performance shares is dependent on the performance in the three performance years, and will be adjusted upwards or downwards, based on Vestas' performance on the selected KPIs. The overall performance measurement is decided by the Board and evaluated annually to reflect the current strategic priorities and the long-term value creation.

The Nomination & Compensation Committee will evaluate the selected KPIs annually and may redefine or adjust these for any individual performance year, subject to approval by the Board. For any financial year, the target number of shares will be evaluated by the Nomination & Compensation Committee based on the market level for long-term incentives for comparable positions.

The annual target number of shares may amount to a value of 100-200 percent of the annual fixed salary for the Executive Management at a target achievement and compared to the Vestas share price at or around the communication of the target number to the Executive Management. The actual number of restricted performance shares available for distribution ranges between 0 and 150 percent of the target level. However, the actual value of shares vesting for the Executive Management is capped at a maximum value of 300 percent of the annual fixed salary at the time of vesting. If the cap is reached the number of shares vesting will be adjusted accordingly.

The performance shares will vest in full three years after the disclosure of the programme.

Vestas performance share incentive programme includes the option to allot additional shares with the purpose of retention of members of the Executive Management through non-performance adjusted restricted shares however following the vesting period and all other terms and conditions for the performance share incentives. The additional share incentives are to be used only in extraordinary cases, serving as alternative to cash at sign-on or as retention of members of Executive Management. Selected individuals and number of shares will be approved by the Board of Directors and reported in the Remuneration Report.

The number of performance shares available for vesting may be adjusted in the event of changes in Vestas's capital structure. In the event of a change of control, merger, winding-up or demerger

of the company, accelerated vesting may extraordinarily take place. Furthermore, in the event of certain transfers of activities or changes in ownership interests within the Vestas Group, adjustment, replacement of the programme and/or settlement in cash of the programme entirely or partly may take place.

Vestas may cover any awarded and vested performance shares by purchase of treasury shares, ref. the Annual General Meeting's authorisation to the Board.

### 3.5 Shareholding obligations

All members of Executive Management are subject to the guidance of holding Vestas shares at a value equal to or above the gross value of their annual fixed salary. The intention is for the Executive Management to obtain ownership of the shares through participation in Vestas' share incentive programmes. The members of Executive Management have five years to accumulate the required shareholdings, and the Nomination & Compensation Committee will assess the compliance with the obligation, as part of the preparation of the annual Remuneration Report. The Nomination & Compensation Committee can propose for the Board to allow for a short period of individual exception. Evaluation of the shareholdings and any individual exception follow the guidance set by the Nomination & Compensation Committee.

### 3.6 Claw-back

In the situation where bonus, performance shares (both vested and non-vested shares) or other variable remuneration have been provided to a member of the Executive Management on the basis of data or accounts which prove to be misstated, Vestas may within certain limitations reclaim the variable remuneration in full or in part.

### 3.7 Notice of termination

Vestas can terminate the employment of members of the Executive Management by giving 24 months' notice to the end of a month. A member of the Executive Management can terminate the employment with Vestas by giving 12 months' notice to the end of a month.

### 3.8 Redundancy pay/severance pay

There is no agreed redundancy pay/compensation for voluntary or non-voluntary termination.

### 3.9 Addendums

If a member of the Executive Management holds addendums or the like with special terms of any kind then this will be described in the Remuneration Report to the extent such disclosure is required by the Danish Companies Act.

### 3.10 Special arrangements under the Remuneration Policy

In extraordinary cases, the Board may approve additional remuneration on a discretionary basis if the Board finds that it is in the overall interest of Vestas, and if it is recommended by the Nomination & Compensation Committee. Such additional remuneration may be made in the form of sign-on bonuses, one-off bonuses, retention bonuses or severance payments. Such remuneration may consist of cash payments and/or share-based remuneration and may or may not include performance criteria for the Executive Management member. The value of such extraordinary remuneration may not exceed 100 percent of the individual Executive Management member's fixed annual salary for the year in which the remuneration is approved. In case of an on-boarding process, the agreed annual fixed salary effective at the commencement of the employment shall serve as the basis for the above cap.

## 4. Derogation from policy

In the event of a new member joining the Executive Management, or Vestas experiencing a challenging financial situation or a change of ownership (defined in section above), the Board can extraordinarily approve derogation from the Remuneration Policy. Any derogation must be informed to the shareholders at the coming Annual General Meeting by including a description thereof in the Remuneration Report presented at that Annual General Meeting.

## 5. Policy approval

The Remuneration Policy has been approved by the Board in [February 2021](#).

This Remuneration Policy replaces the Remuneration Policy for Vestas adopted at the Annual General Meeting held [7 April 2020](#).

The Remuneration Policy is available at Vestas' website.

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vestas@vestas.com, [vestas.com](http://vestas.com)