

# Rules of Procedure for the **Board of Directors**

Vestas Wind Systems A/S  
Company Reg. No. 10403782



## Contents

Members of the Board of Directors .....	3
Composition of the Board of Directors.....	3
Guidelines for the Board of Directors' work .....	5
Books, records, and minutes .....	6
The duties and responsibilities of the Board of Directors .....	6
The duties and responsibilities of the Chair of the Board of Directors.....	7
Board committees .....	8
Remuneration to the Board of Directors .....	8
Evaluation of the Board of Directors' and Executive Management team's work and co-operation...	9
Relations to the Executive Management and the Executive Management team .....	10
Duty of confidentiality .....	10
Conflicts of interest and incapacity.....	10
Non-compete clause.....	10
Securities, debt instruments, derivatives or other financial instruments linked thereto .....	11
Relationship to the Company's auditors .....	11
Disclosure requirements .....	12
Annual Reports .....	12
General Meetings .....	13
Amendments to the rules of procedure.....	13

## **Members of the Board of Directors**

The Board of Directors (Board) consists of the members of the Board elected at the general meeting (GM) of Vestas Wind Systems A/S (Company) and the number of representatives elected by the employees according to the Danish Companies Act.

The Board convenes immediately after the Annual General Meeting (AGM). In connection with this meeting, the Board elects a chair and a deputy chair from among its members by a simple majority of votes, in accordance with article 8(2) of the Company's Articles of Association.

At the same time, the Board elects members to the board committees and designates a chair of each committee.

If the Chair resigns during a term of election, the Deputy Chair shall take up the position as Chair until the next GM. In such case, the Board shall elect a new Deputy Chair from among its members.

## **Composition of the Board of Directors**

The Company shall be managed by a board composed of five to ten members elected by the GM, in accordance with article 8(1) of Vestas' Articles of Association. In addition, the Board shall include such members as are elected by the employees under the relevant provisions of the Danish Companies Act.

Members of the Board elected by the shareholders shall retire at the following AGM, but are eligible for re-election, in accordance with article 8(1) of the Company's Articles of Association.

Members elected by the shareholders and members elected by the employees have the same rights and obligations.

## **Competences of the members of the Board of Directors**

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

When proposing candidates for board membership, the Board seeks to ensure that it is possible for the GM to elect a Board that has the right attitude, competences, and experience. The Board should:

- show accountability, collaboration, simplicity, and passion
- be able to act independently of special interests;
- represents a balance between continuity and renewal;
- match the Company's situation (developing, expanding, M&A phase, etc.);
- demonstrate knowledge of:
  - the industry;
  - international business;
  - accounting, financial, and capital markets;
  - strategic operations;
  - sustainability (CSR);
  - change management and governance;
  - R&D, manufacturing, logistics;
  - services and infrastructure;
  - digitalisation;
  - M&A;
  - restructuring; and
  - HR, people leadership
- reflect the competences and experience required in order to manage a listed company and enable that Company to fulfil its obligations as a listed company.

The Board shall ensure that a profile description of the proposed candidates is available in connection with the GM, including:

- Shareholdings in the Company
- Qualifications and competencies, incl. special competencies which are specifically essential to the work of the Board
- All fiduciary positions and special positions of trust as well other managerial duties and organisational assignments
- Statement on the independency of the candidate in accordance with the Danish Corporate Governance Committee's definition

The profile description will also be published on the Company's website.

### **Introduction of new board members and briefing of the Board of Directors**

The Chair shall ensure that the members of the Board upon their appointment receive a briefing on the Company and in consultation with each individual member, the Chair will decide if the person in question should be offered relevant supplementary education.

The Board will annually assess whether the skills and expertise of its members need to be updated within specific areas.

It is the responsibility of the members of the Board to actively keep themselves informed of the Company's current affairs and relevant business issues.

### **The Board of Director's independence**

In order for the Board to act independently of any special interests, the Board must ensure that at least half of the members elected by the GM are independent persons. In order for a member of the Board elected by the GM to be regarded as an independent person, the member shall not:

- be or have been employed in the Company within the past five years;
- be or have been a member of the Company's ExM within the past five years;
- be a professional advisor to the Company, be employed in or have a financial interest in a company that is a professional advisor to the Company; or
- have a significant strategic interest in the Company other than as a shareholder.

### **Targets and policies for the under-represented gender**

According to section 139c of the Danish Companies Act the Board must:

- set a target for the share of the under-represented gender among members of the Board elected by the GM,
  - set a target for the share of the under-represented gender in the two management levels below the Board<sup>1</sup>, and
  - create a policy to increase the share of the under-represented gender at all management level's of the Company
- if the Company has not reached equal gender distribution as defined by the Danish Business Authorities.

Furthermore, the Board is required to report on the status of these targets, including whether a given target has been achieved, and if not, why the target has not been achieved, as well as on its Diversity, Equity, Inclusion, and Belonging Policy.

The Company's statutory report on targets and policies will be published in connection with the disclosure of the annual report in accordance with section 99b of the Danish Financial Statements Act.

---

<sup>1</sup> The two management levels below the Board comprise the ExM team and employees of Vestas Wind Systems A/S who report directly to a member of the Executive management team and who have managerial responsibilities.

## **Guidelines for the Board of Directors' work**

### **Meetings of the Board of Directors**

The Board schedules its meetings for at least two years at a time. The Chair shall ensure that meetings are scheduled with such frequency that the Board at any time can act as an active sparring partner to the ExM and react fast and efficiently.

The Board holds at least five meetings a year (including a strategy seminar) in accordance with a pre agreed work plan (annual wheel) and further whenever deemed necessary or requisite considering the Company's needs or otherwise when so requested by a member of the Board or the ExM.

At each meeting of the Board, the date and time of the next meeting will be confirmed.

Meetings of the Board are convened providing at least seven days' notice by the Chair, by the Group President & CEO, or by the person authorised by the Chair. Where an issue calls for urgent consideration, the Chair may decide to shorten this notice period.

Meetings of the Board may in special instances be convened at the request of the Company's auditor(s) elected by the GM by providing at least seven days' notice. Where an issue calls for urgent consideration, the Chair may also decide to shorten this notice period.

Meetings are normally held at the Company's offices, but may, depending on the circumstance, be held using electronic communication.

For the consideration of urgent matters, the Chair may decide for the Board to pass a resolution without a physical meeting.

If a member of the Board elected by the employees is unable to attend meetings of the Board, the alternate for that member shall be called. The alternate will however not be called to attend meetings of the Board if the member in question is only considered to be temporarily unable to attend meetings.

The ExM shall participate in meetings of the Board unless the Board in each case decides otherwise.

The Company external auditor shall be entitled to participate in meetings of the Board where matters relevant to the auditing or the financial reporting of Vestas are considered.

### **Quorum of the Board of Directors**

The Board is quorate when more than half of its members are present. No resolutions may be passed unless all members of the Board to the widest extent possible have had the opportunity to take part in the consideration of the matter.

Issues considered by the Board are passed by a simple majority of votes. In the event of equality of votes, the casting vote is held by the Chair – or in the Chair's absence – by the Deputy Chair.

Any member is entitled to demand that the consideration of a proposal made outside the agenda or under the item "Any other business" be deferred to a subsequent meeting unless the issue is a matter of absolute urgency that if deferred would constitute a major disadvantage to the Company.

### **Agenda for board meetings**

Members of the Board will receive an agenda prior to board meetings. The agenda for an ordinary meeting will normally contain the following standard items in addition to other current matters:

- Approval of the minutes of the last meeting.
- Report on the Company's activities.
- Reporting on the Company's financial situation and the expected development.
- Any other issues that the Chair or a member of the Board, the ExM may request be considered.
- Information from the board committees.
- Any other business.

The Board shall annually make a work plan – an annual wheel – for its ordinary meetings for the year to come as well as preliminary plans and dates for the year thereafter.

## **Books, records, and minutes**

The Board must ensure that the books, records and minutes are prepared and kept as provided for by the Danish legislation in force from time to time, including:

- the Board's minute book;
- minutes of GMs;
- auditors' records;
- register of shareholders;
- separate register of major shareholders;
- separate register of the shareholdings of the members of the Board and of the ExM team;
- overview of the members of the Board, ExM, ExM team, and their related parties, and
- Vestas Global Insider List

### **The Board of Directors' minute book**

The Chair shall ensure that the proceedings at board meetings be recorded by a member of the Board or another person appointed by the Board in a minute book in which the matters discussed and the resolutions adopted are entered. The minute book shall be signed by the members of the Board that attended the meeting in question.

Members of the Board absent from meetings are obliged at a later point in time to inform themselves of the proceedings recorded in the minute book during their absence and to sign the minutes to confirm that they have read them.

Any member of the Board or the ExM who disagrees with a resolution passed by the Board is entitled to have his/her opinion recorded in the minute book.

Minutes of board meetings must be sent to the board members not later than ten working days after the board meeting.

Each member of the Board, ExM, or the external auditor shall have access to the minute books.

### **Auditors' records**

The Board shall be informed regularly through entry in the auditor(s)'s long-form audit report or through the Chair if matters of significance are identified which ought to be reported to the Board.

All entries into the records must be signed by the board members as confirmation that they are aware of and have considered the contents of the records.

## **The duties and responsibilities of the Board of Directors**

The Board is responsible for the overall and strategic management of the Company's affairs and must ensure proper organisation of the Company's business in accordance with the Company's Articles of Association and applicable law.

The division of responsibilities between the Board and the ExM must be given effect in accordance with the Danish Companies Act. The Board shall establish necessary guidelines for the division of responsibilities between the Board, the ExM, and the ExM team in the rules of procedure for the ExM / ExM team, including procedures, powers and instructions.

The Board's most important duties are, among others:

- Assessment and update of the Company's business scope, vision, mission, and underlying values.
- Establishment of and follow-up on the overall objectives and strategies of the Company.
- Establishment of guidelines for the Company's internal operational division of responsibilities, planning and follow-up.
- Follow-up on plans, budgets, etc. and consideration of reports concerning the Company's liquidity, order backlog, significant transactions, overall insurance matters, financing issues, and cash flow.
- Consideration of the adequacy of the Company's current cash resources as well as the sufficiency of the Company's liquidity to meet its present and future obligations in relation to the Company's operations.
- Employment of a competent ExM and ExM team and establishment of employment and remuneration terms reflecting performance and results and ensuring that the ExM and the

ExM team performs its duties properly and in accordance with the guidelines issued by the Board.

- Preparation of procedures for the cooperation with the Company's auditor(s) appointed at the GM.
- Consideration and approval of a communications strategy ensuring that all significant information of essence to the shareholders as well as information required by the financial markets in order to assess the Company and its activities, and all business targets, strategies and results be disclosed immediately in a reliable and adequate manner, according to applicable law.
- Establishment of procedures and structures to track and manage risks of the Company.
- Development and promotion of high ethical and professional standards within all business areas.
- Ensuring that asset management is controlled in a satisfactory manner in consideration of the position of the Company.

The Chair shall on behalf of the Board request any information necessary to fulfil its duties and may inspect or arrange for inspection of the Company's books and verify the existence of the assets.

If a takeover scenario occurs or if there is substantiated reason to believe that a takeover scenario is likely, the Chair and Deputy Chair must be informed promptly, to ensure that the Company fulfils its obligation as a listed company on Nasdaq Copenhagen and on Euronext Dublin.

The GM is not involved in Vestas' response to a takeover scenario unless otherwise requested by the Chair or the Board. However, the GM will need to be involved in cases where the structure of a takeover scenario requires one or more resolutions to be passed by the GM according to company law (e.g. in case of a capital increase).

The procedures in connection with a takeover scenario are further described in Vestas' Takeover Response Manual.

## **The duties and responsibilities of the Chair of the Board of Directors**

The Chair's role is to lead the work of the Board.

In the absence of the Chair, the Deputy Chair undertakes the duties of the Chair and has the powers of the Chair, including the casting vote in the event of a tied vote. The Deputy Chair must also act as an effective sparring partner for the Chair.

The Chair:

- has a particular responsibility to ensure that the Board operates satisfactorily, and that the duties of the Board are undertaken in the best way possible;
- shall ensure that board meetings are held as efficiently as possible, and that the particular knowledge and competences of each board member are applied in the best manner possible to the benefit of the Company;
- shall promote a good, trust based and constructive relationship among the members of the Board and between the members of the Board and the members of the ExM and the ExM team;
- shall not perform duties for the Company that are not an inherent part of the office as chair with the exception of isolated tasks that the Chair is requested to perform by and on behalf of the Board;
- ensure that all decisions to be made by the combined Board are discussed at the board meetings;
- promote efficient communication to and with the Company's shareholders; and
- shall upon request from a member of the Board, provide information on any matter or issue of relevance or importance to the Company.

## **Board committees**

The Board has decided to establish the following three committees: An Audit Committee, a Technology & Manufacturing Committee, and a Nomination & Compensation Committee. The role and responsibilities of the committees shall be outlined in a charter and approved by the Board.

The Board shall assess on a current basis the need for the above committees and the establishment of other committees.

The overall framework for the establishment of board committees:

- A board committee should consist of at least three persons.
- The members of the committee must be elected from among the members of the Board.
- Committee members are elected on the basis of their qualifications.
- At least half of the members of the committee should qualify as independent.
- The Board can at any time between two AGMs change the composition of the committee with simple majority.
- Other board members participate in the committee meetings only if so requested by the committee.
- The committees may invite or convene specific employees or experts to participate in a committee meeting.

Committees can be established ad hoc by the Board to help manage specific issues and to prepare resolutions to be passed by the entire Board.

## **Remuneration to the Board of Directors**

The Board shall ensure that the overall remuneration to members of the Board is competitive and reasonable, and that it reflects the Board's independent efforts and value creation to the Company.

Remuneration is assessed once a year, in accordance with the Charter of the Nomination & Compensation Committee and the Remuneration Policy.

### **Remuneration Policy**

The Board shall adopt a remuneration policy based on a recommendation from the Nomination & Compensation Committee, in accordance with the Danish Companies Act.

The Remuneration Policy shall be adopted by the GM and be available on the Company's website.

The overall objective of the Remuneration Policy is to attract, motivate, and retain qualified members of the Board and the ExM, to align the interests of the Board and the ExM with the interests of the Company's shareholders and stakeholders as well as to support Vestas' strategic goals and promote value creation aligned to the interest of the shareholders.

### **Remuneration Report**

Annually, the Board must prepare a statutory remuneration report and submit the remuneration report for an advisory vote by the AGM, in accordance with the Danish Company Act.

The remuneration report shall provide an overview of the total remuneration received by the members of the Board and ExM who are registered with the Danish Business Authority.



### **Evaluation of the Board of Directors' and Executive Management team's work and co-operation**

Annually, the Board shall at the initiative of the Chair conduct an evaluation of its performance and achievements.

The evaluation may either be recorded in a separate report or as part of the minutes of meeting.

The evaluation of the Board must focus on the Board's work, efficiency, composition, and organisation, and include the following topics:

- the composition of the Board with focus on competencies and diversity
- the Board and the individual member's contribution and results,
- the cooperation on the Board and between the Board and the ExM,
- the Chair's leadership of the Board,
- the committee structure and the work in the committees,
- the organisation of the work of the Board and the quality of the material provided to the Board, and
- the members of the Board's preparation for and active participation in the meetings of the Board.

The areas covered by the evaluation may differ from year to year to reflect the development of the Board's work.

The procedure for the assessment of the Board and of the individual members and the outcome thereof shall be disclosed in the annual report. Furthermore, the Board will include external assistance to perform an evaluation of the Board at least once every third year.

### **Evaluation of the work of the Executive Management team**

Annually, the work and performance of the ExM team will be evaluated on the basis of the following criteria:

- the Company's general development;
- the Company's reputation and market position;
- implementation of the corporate strategy;
- the Company's financial targets;
- the customer loyalty survey; and
- the employee satisfaction survey.

The areas covered by the evaluation may differ from year to year to reflect the development of the ExM teams work.

### **Evaluation of the Board of Directors' and the Executive Management team's cooperation**

Once a year, the Chair and the Group President & CEO evaluate the Board's and the ExM team's co-operation. The outcome of the evaluation shall be presented to the Board.

The evaluation of the cooperation includes:

- the ongoing dialogue/information;
- board material;
- co-operation with the board committees;
- follow-up on management decisions and their implementation;
- evaluation of the processes and methods used, etc.

## **Relations to the Executive Management and the Executive Management team**

The Board appoints and dismisses members of the ExM and ExM team and determines their salary and employment terms, ref. the Remuneration Policy.

The division of responsibilities between the Board, ExM, and the ExM team shall be in accordance with the Danish Companies Act and the EXM / ExM team Rules of Procedure as issued by the Board.

The Board lays down procedures governing the reporting by the ExM team to the Board and governing any other communications from the ExM to the Board in order to ensure that the Board receives in a timely manner current and relevant information for the Board regarding the Company.

## **Duty of confidentiality**

Proceedings at board meetings are confidential.

Members of the Board are subject to a duty of confidentiality in respect of information received in their capacity of board members, unless otherwise decided by the Board or unless such information under applicable law is required to be made public. Violation of the aforementioned duty of confidentiality can result in sanctions according to relevant applicable law and personal liability for damages incurred by the Company.

Members of the Board are obliged to safeguard all material concerning the Company in such a manner that no unauthorised person can gain access to it. Upon resignation, a members of the Board shall return all material to the Company in his/her possession received in his/her capacity as member of the Board.

If a member of the Board dies, the above duty to return material rests with his/her estate.

The duty of confidentiality is described in further detail in Vestas' Internal Rules.

## **Conflicts of interest and incapacity**

All members of the Board must act ethically correct at all times and adhere to Vestas' Code of Conduct and other ethical or business conduct guidelines as applicable to the members of the Board. If an actual or potential conflict of interest arises for a member of the Board, such member shall promptly inform the Chair.

A member of the Company's Board, ExM, or ExM team may not participate in the consideration and voting on matters where such member has a personal interest. Such member shall immediately disclose to the rest of the Board, if there is a conflict of interest between such member and Vestas.

Agreements between members of the Board, the ExM, or the ExM team and the Company and agreements between the Company and third parties, in which members of the Board, the ExM, or the ExM team may have material interests that may conflict with the interests of the Company and the Group, are not valid without the approval of the Board.

## **Non-compete clause**

Members of the Company's Board may not without the consent of the Board be directly or indirectly associated with or have an interest in any business directly competing with the Company. This shall not apply to passive minority investments of less than 1 percent of the shares in a listed company where members of the Board cannot exert any direct or indirect control.

Upon appointment, each member of the Board shall inform the Board of any directorships or offices held by the member in Danish and foreign undertakings and organisations and inform the Board of any subsequent changes in this regard.

### **Securities, debt instruments, derivatives or other financial instruments linked thereto**

Each member of the Board shall upon election inform the Company of the size of the member's direct and/or indirect holding(s) of Vestas shares, Vestas debt instruments, derivatives or other financial instruments linked thereto.

Any subsequent transactions in respect of Vestas shares, Vestas debt instruments, derivatives or other financial instruments linked thereto shall be reported in accordance with Vestas' Internal Rules.

Each member of the Board shall arrange that the member's holding(s) of Vestas shares, Vestas debt instruments, derivatives or other financial instruments linked thereto are registered in the relevant securities register in such manner that the legal name of the holder and the name of the relevant member – to the extent possible – is visible.

Members of the Board shall in writing inform the persons covered by the definition of "related third party" of their obligations, including the notification obligation, and keep a copy of this notification, in accordance with Vestas' Internal Rules.

### **Vestas' Global Insider List**

The Board is registered on the Vestas' Global Insider List – as permanent insiders.

Persons registered in the permanent insider section are only allowed to trade in the Company financial instruments during a period of four weeks after disclosure of the Company's annual report, interim financial reports or other financial announcements (the open trading window). However, if a deal-specific insider section exists, persons registered in the permanent insider section are not allowed to trade in the open trading window. Further, any person otherwise holding insider information shall refrain from trading the Company's financial instruments.

The rules governing the purchase and sale of Vestas financial instruments are described in further detail in Vestas' Internal Rules.

### **Speculative transactions**

Members of the Board may not carry out or take part in speculative transactions involving financial instruments in the Company or shares in companies within the same group of companies.

### **Relationship to the Company's auditors**

The Board and ExM shall grant the auditor(s) access to make such investigations, as they may find necessary, and must ensure that the auditor(s) receive the information and the assistance deemed necessary by them to exercise their duties. The Board must provide the requisite basis for an audit and in this context consider whether an internal audit is required and if so ensure a competent and independent audit.

The Board must ensure that the Company's auditor(s) to a reasonable extent review the Company's books and verify the existence of the assets. The Board shall instruct the auditor(s) to direct the Board's attention to any matter, which should be known by the Board, and which comes to the auditor's(s) knowledge during the audit.

The Board shall instruct the Company's auditor(s) – for the purposes of preparing Vestas' accounts – to review the subsidiaries' accounts and the audit performed in this respect.

The Chair may from time to time request that the auditor(s) attend(s) a board meeting.

The audit agreement and resulting auditors' fees will be agreed between the Company's Board and the auditor(s) in accordance with the charter for the Audit Committee. Moreover, the Board shall once a year determine the general framework for supply by the auditor(s) of non-audit related services in order to ensure independence on the part of the auditor(s) etc.

At least once a year the Board meets with the auditor(s) without the ExM being present.

## **Disclosure requirements**

The Board shall together with the ExM ensure that the Company's procedures for announcements to the public as a listed company comply with the rules applicable from time to time to listed companies having securities listed on regulated markets and in accordance with Vestas' Internal Rules.

Furthermore, the Board shall ensure that the Company complies with the provisions of the EU Shareholder Rights Directive on Board approval of related party transactions, and public disclosure of certain types of related party transactions as implemented in section 139d of the Danish Corporate Act and in accordance with the Company's Policy on Transaction with Related Parties.

## **Annual Reports**

The ExM shall arrange for a draft Annual Report as required by law to be prepared for the Company and the Group.

The draft Annual Report with specifications shall be forwarded to each member of the Board before the board meeting at which the accounts will receive consideration and approval.

In connection with the consideration and approval by the Board of the Annual Report, the Board will decide whether the business is a going concern, including any special assumptions or qualifications where necessary.

In connection with the review by the Board and the auditor(s) of the Annual Report, the following items concerning accounting policies must be discussed:

- Accounting policies within the most significant accounting areas.
- Significant accounting estimates.
- Assessment of the adequacy of the accounting policy elected.

Moreover, the result of the audit based on the auditors' records must be discussed and the auditor's/auditors' findings and conclusions must be reviewed.

The Annual Report must be signed by the Board, the ExM, and the auditor(s), and shall be submitted for adoption by the AGM. Following adoption of the Annual Report Vestas shall promptly submit the Annual Report endorsed by the chair of the AGM to the Danish Business Authority.

## **Additional statutory reports**

According to applicable law Vestas must disclose the following reports, annually:

- Statutory Report on Corporate Governance, in accordance with section 107b of the Danish Financial Statements Act
- Statutory Report on Diversity, in accordance with section 107d of the Danish Financial Statements Act
- Statutory Report on Gender Distribution, in accordance with section 99b of the Danish Financial Statements Act
- Statutory Remuneration Report, in accordance with section 139b of the Danish Companies Act
- Statutory Report on Sustainability, in accordance with section 99a of the Danish Financial Statements Act

These reports will be published as part of the Annual Report or as separate reports on the Company's website.

### **General Meetings**

The Company's GMs are convened and managed by the Board in accordance with applicable Danish law and the Company's Articles of Association.

All members of the Board shall to the widest extent possible attend the Company's GMs.

The Chair shall at the AGM give the shareholders an account of the Company's activities during the past year.

The minute books for the Company's GMs shall be kept and held by the Company in accordance with the Company's Articles of Association.

### **Amendments to the rules of procedure**

Any new members of the Board, the ExM, or the ExM team must by his/her signature accept these rules of procedure immediately after his/her appointment.

The Board reviews the rules of procedure at least once a year in connection with the AGM in order to ensure that the rules constitute an efficient and operational tool for the Board in the performance of its duties.

An amendment or a change can, if adopted at a meeting of the Board, be made with a simple majority.

These rules of procedure are adopted by the Board at the board meeting held on 12 April 2023. They enter into force immediately after the adoption and replace the rules of procedure of 5 April 2022.