

Corporate Governance Report 2024

This report is prepared pursuant to section 107b (1) and (3) of the Danish Financial Statements Act
- 1 January 2024 - 31 December 2024

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Contents

Introduction	3
Governance key figures.....	3
Governance	4
Shareholders.....	5
Board of Directors.....	7
Report on the Audit Committee's composition and work	10
Report on the Technology & Manufacturing Committee's composition and work	11
Report on the Nomination & Composition Committee's composition and work	12
Executive Management / Executive Management team.....	13
Risk governance.....	14
Internal control	14
Reporting on the Danish Corporate Governance Recommendations	15
1. Interaction with the company's shareholders, investors, and other stakeholders..	16
2. The duties and responsibilities of the board of directors.....	19
3. The composition, organisation and evaluation of the board of directors.....	22
4. Remuneration of management.....	30
5. Risk management.....	32

Introduction

This statutory corporate governance report (Governance Report) covers the period 1 January 2024 - 31 December 2024 and is prepared pursuant to section 107b(1) and (3) of the Danish Financial Statements Act and forms part of the Management Review of the Annual Report 2024.

The report includes the status of compliance with the Recommendations for Corporate Governance issued by the Danish Committee on Corporate Governance and implemented by Nasdaq Copenhagen in the Nordic Main Market Rulebook for Issuers of Shares.

The report is based on a 'comply-or-explain' principle. In 2024, we complied with all recommendations. For a review of our compliance with the recommendations, please see pages 15-32.

Additional general reporting standards and principles

In compliance with section 107d of the Danish Financial Statements Act information about our Diversity, Equity, Inclusion, & Belonging Policy, including reporting on progress, activities, and targets for gender and diversity, is addressed in our Annual Report 2024, see 'Our workforce Equal treatment and opportunities for all', pages 107-111.

In compliance with section 99d of the Danish Financial Statements Act we also report on data ethics in our Annual Report 2024, see 'Corporate governance and governance principles', page 36.

Aarhus, 5 February 2025

The Board of Directors of
Vestas Wind Systems A/S

Governance key figures

	2024	2023	2022	2021	2020
Shareholders					
Number of shares, end year (million)	1,010	1,010	1,010	1,010	1,010
Number of listed shareholders (thousand)	246	217	218	200	141
Number of major shareholders	1	1	1	1	1
Board of Directors (number)					
Members elected by the shareholders	6	7	8	8	8
Members elected by the employees	4	4	4	4	4
Total number of members	10	11	12	12	12
Women / men	6 / 4	5 / 6	5 / 7	4 / 8	4 / 8
Independent / not independent	6 / 4	6 / 5	7 / 5	7 / 5	7 / 5
Meetings	11	10	12	12	12
Executive Management team (number)					
Members appointed by the Board	7	7	8	7	7
Women / men	1 / 6	0 / 7	1 / 7	2 / 5	2 / 5
Meetings	19	19	17	-	-
Participants rate (percent)	95-100	100	100	-	-
Remuneration¹ (mEUR)					
Board of Directors					
Board fee	0.9	0.9	0.9	0.9	0.8
Board committee fee	0.4	0.4	0.4	0.4	0.5
Social security	0.1	0.1	0.1	0.1	0.1
Executive Management²					
Fixed remuneration	3.4	2.5	2.3	2.8	2.5
Variable remuneration	3.7	6.3	3.7	3.5	3.6
Risk management (number)					
EthicsLine cases	757	667	539	465	287

¹ For detailed information about the remuneration of the Board and Executive Management, see Remuneration Report 2024.

² The Group President & CEO and Executive Vice President & CFO comprise what is defined as Vestas' Executive Management and are registered as executives with the Danish Business Authority. For 2024, the numbers include the CEO remuneration and the remuneration Hans Martin Smith and Rasmus Gram received in the period as CFO and interim CFO, respectively.

Shareholders

Vestas Wind Systems A/S is incorporated in Denmark and is a public limited liability company. The company has one share class, which is 100 percent free float at the Nasdaq Copenhagen stock exchange in Denmark under the ticker "VWS".

Our shareholders represent the supreme governing body of the company. According to our shareholder register we have shareholders from more than 100 different countries, dominated by shareholders from the USA, UK, and Denmark.

Major shareholder

In 2020, BlackRock, Inc. (Wilmington, DE, USA) informed that it has passed the 5 percent threshold. In October 2024, BlackRock, Inc. confirmed that it is still a major shareholder, and its holding of voting rights and share capital as per 1 October 2024 corresponded to a position of 7.59 percent of the total share capital in Vestas Wind Systems A/S.

Shareholder and stakeholder engagement

In 2024, the Chair of the Board, Group President & CEO, and Executive Vice President & CFO met with shareholders and stakeholders to gain insights into their expectations and perspectives. Furthermore, we have been in dialogue with both our shareholders and proxy advisors regarding topics such as financials, sustainability, remuneration of management, etc. These dialogues are very important to make sure that we are aware of and aligned with our owners' expectations and recommendations.

“
Almost 250,000 shareholders are registered in the book of shareholders.

General meetings

Our shareholders exercise their rights at the general meeting and they adopt the company's Articles of Association and elects the Board of Directors (the Board).

Each shareholder has 20 votes per share that is registered on the record date.

Annual General Meeting 2024

At the Annual General Meeting 2024 held on the 9 April 2024 at Vestas' headquarters in Aarhus, Denmark the shareholders:

- approved the Annual Report 2023 and Remuneration Report 2023,
- approved that no dividend was paid out for the financial year 2023,
- approved an increase of 4 percent on both the Board's basic remuneration fee, committee fee, and committee chair fee,
- elected seven board members,
- appointed Deloitte as the company's new auditor in respect of statutory financial and sustainability reporting,
- approved the Remuneration Policy, and
- renewed the Board's authorisation to acquire treasury shares.

All documents relating to the Annual General Meeting are published at our corporate website such as the convening, the minutes, voting report, and reports or policies approved by the shareholders.

After the Annual General Meeting the shareholders were invited to meet with the board members, the Executive Management team, and the auditors.

Rules

Vestas' Articles of Association

Extracts from Vestas Wind Systems A/S' Articles of Association adopted by the shareholders and prepared in accordance with Danish regulation.

The supreme authority

"... The shareholders in general meeting shall be the company's supreme authority in all company matters subject to the relevant legislation and these Articles of Association..."

General Meetings

"... 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 right of a shareholder to attend a general meeting and to vote is determined relative to the shares held by the shareholder at the record date. Shares and voting rights held by a shareholder at the record date are calculated on the basis of registration of the ownership registered in the register of shareholders and notifications about ownership received by the company for entry into the register of shareholders. The record date is one week before the general meeting..."

"... Any shareholder who is entitled to attend a general meeting, ref. article 6(2), and who wishes to attend a general meeting or to be represented by proxy, must notify the company of their attendance no later than three days before the date of the relevant general meeting..."

"... Any shareholder may in writing to the Board of Directors claim a specific matter included in the agenda for the annual general meeting..."

Voting rights

"... Each share amount of DKK 0.01 shall entitle the shareholder to one vote..."

"... All proposals put to the vote of the shareholders at the general meeting shall be adopted by a simple majority of votes, unless the Danish Companies Act or these Articles of Association prescribe special rules regarding the adoption..."

Informative website

Via an informative website we make sure that our shareholders and stakeholders can get access to detailed and relevant information about our products, latest news, upcoming events, etc.

Quarterly updates

Four times a year we disclose our financial and non-financial results and give an update regarding our corporate strategy and sustainability strategy. The purpose is to be in compliance with applicable law but also to make sure that our shareholders and stakeholders receive the latest news about the company.

In 2024, the reports were disclosed in February, May, August, and November and were followed by a conference call where the shareholders, analysts, or the press were able to ask questions to be answered by the Group President & CEO and the Executive Vice President & CFO.

Financial calendar 2025

05 February	Annual Report for 2024
07 March	Convening for the Annual General Meeting
08 April	Annual General Meeting 2025
06 May	Interim Report for the first quarter 2025
13 August	Half-Year Report for 2025
05 November	Interim Report for the third quarter 2025

Management structure

Our management structure reflects how the company is managed to ensure Simplicity, Collaboration, Accountability, and Passion.

Our two-tier governance structure consisting of the Board, Executive Management, and Executive Management team provides a clear, transparent, and effective separation between the responsibilities of the Board and the Executive Management team, and between the Executive Vice Presidents and their management of the company's affairs.

The Board and Executive Management are separate bodies, and none serves as a member of both.

Framework for corporate governance



Board of Directors

- Report on the Board of Directors' composition and work

The composition of the Board

The shareholders have decided that Vestas Wind Systems A/S must be managed by a Board composed of five to 10 members, elected by the shareholders. In addition, the Board includes members elected by our employees under the relevant provisions of the Danish Companies Act.

In 2024, Bruce Grant and Kentaro Hosomi stepped down after five and three years as members of the Board, respectively. At the Annual General Meeting the shareholders elected Henriette H. Thygesen and William Fehrman as new members of the Board and re-elect the rest of the members of the Board. They received between 72-100 percent of the valid votes and will each serve for a one-year term.

After the Annual General Meeting, the Board re-elected Anders Runevad as Chair and Karl-Henrik Sundström as Deputy Chair.

Four Board members have been elected by the Danish-based employees. In connection with the Employee Election 2024 Sussie Dvinge, Michael Abildgaard Lisbjerg, and Claus Skov Christensen were re-elected, and Louise B. Schmidt Nielsen was elected as new member of the Board. They will serve for a four-year term.

In August 2024, William Fehrman announced that he will step down from his board positions with effect as of 14 August 2024 to avoid any potential conflict of interest in his new job role, ref. company announcement no. 13/2024.

Independence

All the shareholder-elected board members are considered independent. Employee-elected board members are not considered independent.

Board diversity

End the year, the Board constituted of two male and four female board members elected by the shareholders. Furthermore, all three board committees have equal gender distribution. With the inclusion of employee-elected members, the overall composition of the Board is at the end of the year six female and four male board members.

The Board also aims to achieve diversity in terms of nationalities represented amongst its members¹, reflecting our global presence. End year, only two nationalities were represented in the Board.

Diversity in the broadest sense remains a key focus for the Board, including in board member searches. Board members are chosen for their overall competencies, while the benefits of board diversity in terms of gender, education, working experience, and other factors are fully recognised.

The primary role of the Board

The Board's most important duties are, among others: appointing the Executive Management team in collaboration with the Group President & CEO; laying down guidelines for and overseeing the work performed by the Executive Management team; ensuring professional and adequate organisation of the company's business; defining the company's corporate and sustainability strategies; ensuring satisfactory financial organisation and reporting; ensuring the necessary procedures for risk management and internal controls; and ensuring that an adequate capital and share structure are in place at all times.

The roles and responsibilities of the Board are set out in the Rules of Procedures for the Board, which is reviewed annually, taking into account relevant regulatory changes and recommended best practice.

Rules

Rules of Procedures for the Board

Extracts from the Rules of Procedures for the Board of Directors.

Composition and rights

"... The Board convenes immediately after the Annual General Meeting. In connection with this meeting, the Board elects a chair and a deputy chair from among its members by a simple majority of votes ..."

"... the Board elects members to the board committees and designates a chair of each committee..."

"... Members of the Board elected by the shareholders shall retire at the following Annual General Meeting, but are eligible for re-election..."

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

Responsibilities

"... 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..."

Meetings and voting rights

"... The Board schedules its meetings for at least two years at a time..."

"... Issues considered by the Board are passed by a simple majority of votes..."

Board Committees

"... The Board has decided to establish the following three committees: An Audit Committee, a Technology & Manufacturing Committee, and a Nomination & Compensation Committee..."

¹ Due to EU GDPR, we are not allowed to inquire about or register the ethnicity of our board members and employees – instead, we use nationality as a proxy.

Meetings

The Board convenes at least seven times per year. In 2024, the Board held 11 meetings, incl. a strategy seminar.

The Board's rolling agenda is structured around four pillars: updates from the business, strategy updates, financial and non-financial performance, and people/governance. The Group President & CEO and Executive Vice President & CFO are invited to participate in all board meetings, while other members of the Executive Management team attend when requested. Every year in February, the auditors meet with the entire Board.

The target is for all members of the Board to achieve an attendance rate of 80-90 percent, but it is expected they attend all meetings. For this reason, the Board schedules its meetings for at least two years in advance.

Quorate

The Board is quorate when more than half of its members are present. 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.

Board committees

In order to support the Board and to benefit from individual members' competences, the Board has established three committees. Although not authorised to make independent decisions, these committees prepare reports and recommendations for the Board's approval.

The members of these committees are elected by the Board from among its members. Each committee has a charter, which sets out the committee's role, purpose, responsibilities, and procedural matters and these charters are available at our corporate website.

At each board meeting, the committee Chairs provide an update to the Board on the committees' activities and recommendations.

Board remuneration

In compliance with applicable law, we have prepared a separate Remuneration Report describing the remuneration awarded or due in 2024 to the Board as well as to Executive Management. The Remuneration Report will be submitted to the Annual General Meeting for an advisory vote.

In 2024, the Annual General Meeting approved a 4 percent increase of the board fee.

Evaluation process


Once a year, the Board and its committees carry out an evaluation of their work. The purpose is to further develop the Board's efficiency and working procedures. In addition, the evaluation serves as a tool for determining the competence required by the Board, and for analysing the competence that already exists in the Board. The evaluation also serves as input for the Nomination & Compensation Committee's work on proposing board members.

As part of the yearly evaluation, board members are asked to complete a questionnaire to guide them in their preparation, and to make sure that all relevant issues are touched upon in connection with the evaluation. The areas covered by the evaluation differ from year to year to reflect the development of the Board's work.

The result of the evaluation of the Board itself is discussed by the board members. The result of the committees' evaluations is discussed by the relevant committee and reported to the Board. The Board brings in external consultants to support the evaluation at least once every third year.

In 2024, the evaluation was conducted by an external consultant.

 **Performance Evaluation Report 2024:** The result of the evaluations conducted in 2024 is available at our corporate website.

 It is crucial that we have the right members of our Board with the right competences to lead us on the journey to become Global Leader in Sustainable Energy Solutions, and a Board that can create long-term value, promotes a good culture, and sound values in the company.

Members	Member since	Meeting attendance*	Attendance rate
Anders Runevad, Chair	2020	11 / 11	100
Karl-Henrik Sundström, Deputy Chair	2020	10 / 11	91
Eva Merete Søfelde Berneke	2019	11 / 11	100
Helle Thorning-Schmidt	2019	11 / 11	100
Henriette H. Thygesen	2024	9 / 9	100
Lena Olving	2022	11 / 11	100
Claus Skov Christensen	2022	11 / 11	100
Michael Abildgaard Lisbjerg	2008	11 / 11	100
Louise B. Smidt Nielsen	2024	11 / 11	100
Sussie Dvinge	2005	11 / 11	100
Stepped down in 2024			
Pia Kirk Jensen	-	2 / 2	100
Bruce Grant	-	2 / 2	100
Kentaro Hosomi	-	1 / 2	50
William Fehrman	-	5 / 5	100

* The first figure represents attendance, the second the possible number of meetings.

Focus areas for 2024

In addition to standard matters, in 2024 the Board especially dedicated time to the following topics:

Project execution - Offshore

Vestas is committed to becoming a global leader in offshore wind and we are determined to lead the industry towards financially sustainable market, technology, and supply chain development. To reach our ambition we must secure a profitable order intake, sustainable scale up of our manufacturing capacity, and ensure operational readiness and execution capabilities for the new V236 platform.

In 2025, we are going to deliver the first V236-15.0 MW™ offshore turbines to our customer, EnBW He Dreiht, and with commissioning expected in 2025.

Therefore, the Board has closely monitored the organisation's preparation regarding securing the necessary employee ramp up, the setup of the manufacturing footprint, the establishment of a stable supply chain, etc. to make sure that we can fulfil our obligations towards our customers – and to make sure that the organisation is implementing and following the offshore strategy laid down by the Board.

The importance of this focus area was further highlighted as additional six V236 offshore orders with a total capacity of 4.6 GW were signed in 2024 with expected delivery in 2026-2028.

The Service business' journey back on track

The Service business area has for many years been a stable contributor to Vestas' financial results – and will remain a strong business area in the future.

In 2024, we registered an increase in the planned cost which effected the full-year guidance for 2024.

During the year the Board focused on monitoring and securing that the Service business area's journey back on track moves forward in accordance with the plan and ensuring sustainable operational improvements and day-to-day cost control.

Sustainability

The Board continued to dedicate time to sustainability topics. In 2024, the focus has especially been on aligning with EU's CSRD rules.

A double materiality assessment (DMA) has been conducted to ensure compliance with the EU Corporate Sustainability Reporting Directive (CSRD). The DMA identifies material topics for Vestas and the result sets the scope for Vestas ESG reporting.

In May 2024, the Audit Committee reviewed the DMA and in August 2024 the Board approved it. The first integrated report, Annual Report 2024, has been prepared in line with the result of the DMA.

During the year the Board has also dedicated time to the following topics:

- Our sustainability strategy
- Compliance and governance requirements in general, as well as the tracking of EthicsLine cases
- Review and update of our Diversity, Equity, Inclusion, & Belonging Policy, Human Rights Policy, Tax Policy, Data Ethics Policy, etc.

Strategy Seminar 2024

The Board's Strategy Seminar is an important part of the Board's annual cycle. The 2024 seminar took place at Vestas' headquarters in Aarhus, Denmark. The seminar focused on Vestas' continued profitability improvements, positioning for long-term sustainable growth, as well as our Business Segments' and Functional strategies.

In addition to strategic presentations from the Executive Management team, the Board visited Test Centre Østerild, to see how the V236 is progressing. The Board also met with one of Vestas' strategic customer, to discuss the importance of strong partnerships in the industry.

Furthermore, the Board dedicated time to meet with key senior talents to informally interact, share experiences, and gain insights.

The seminar also enabled participants to align on:

- Short-term performance and priorities
- Industry perspective and market outlook
- The business plan for 2025-2027



Report on the Audit Committee’s composition and work

The composition of the committee

The committee comprises three board members appointed by the Board.

In April 2024, Kentaro Hosomi stepped down as member of the committee and the remaining members were re-elected. Furthermore, Henriette H. Thygesen was elected as new member of the committee. Karl-Henrik Sundström was re-appointed Chair of the committee. There is equal gender distribution among the members.

The members’ experience demonstrates that the committee as a whole has competences that are entirely relevant to the sector in which we operate. Combined, the members are equipped with the commercial, regulatory, financial, and audit expertise necessary to fulfil the committee’s responsibilities. The Chair, Karl-Henrik Sundström, holds the financial accounting qualifications required by the Danish Auditors’ Act, as well as sustainability-related expertise.

During the year the committee held six meetings.

Rules of Procedures for the Audit Committee

The Rules of Procedure for the Audit Committee can be found at our corporate website.

The primary role of the committee

The Audit Committee supports the Board mainly with the following topics: overseeing the external auditors elected by the shareholders and their auditing, overseeing and reviewing financial and ESG reporting before disclosure, review of accounting policies, systems of internal controls, and risk management (both financial and ESG related), handling of complaints reported through EthicsLine, business ethics compliance, and cases regarding anticorruption, review of the global insurance programme, tax topics, treasury policy, and information security, etc.

As of 2024, the committee’s tasks have been extended to also include topics related to the new European Sustainability Reporting Standards (ESRS).

Over the course of a year, the committee has a rolling agenda covering a variety of standing matters. It invites the CFO, other relevant parties from finance and the external auditor to attend each of its meetings. Other members of management attend when requested to provide input on specific topics or on more detailed technical matters that may arise. The committee also regularly holds private sessions separately with the external auditor without members of management being present. Outside the formal meetings, the Chair of the committee meets regularly with the Executive Vice President & CFO.

Focus areas in 2024

During 2024, the committee received comprehensive reports from management and the external auditor on a variety of topics related to management controls and accounting policies, practices, and reporting. In addition to standing matters, the committee addressed a variety of special focus areas, which are highlighted here:

New auditor

Based on recommendation by the committee and proposal of the Board Deloitte was approved by the shareholders as Vestas Wind Systems A/S’ new auditor at the Annual General Meeting in 2024. Subsequently, the committee has worked on onboarding and transitioning Deloitte as new auditor.

The Service business

The committee has actively worked together with the Executive Management in steering the Service business back on track, ensuring that corrective actions and necessary measures being effectively implemented.

Warranty provisions

The committee has continuously assessed the need and level of warranty provisions.

Sustainability reporting

In 2024, the committee has continued the work initiated in 2023 of readying for the reporting in accordance with EU’s Corporate Sustainability Reporting Directive. The work has included assessing the double materiality assessment covering the upstream and downstream value chain, design and implementation of governance structure, ESG targets, and external reporting.

Capital structure

During 2024, the committee assessed the financial risk profile of Vestas, debt maturities, available debt facilities, cash flow forecast and credit rating outlook, with the purpose of ensuring appropriate capital structure and financing.

Members	Member since	Meeting attendance*	Attendance rate
Karl-Henrik Sundström, Chair	2020	6 / 6	100
Eva Merete Søfelde Berneke	2020	6 / 6	100
Henriette Thygesen	2024	4 / 4	100
Stepped down in 2024 Kentaro Hosomi	-	2 / 2	100

* The first figure represents attendance and the second the possible number of meetings. In cases where a board member was appointed during the year, only meetings in that member’s active committee period are shown.

Report on the Technology & Manufacturing Committee’s composition and work

The composition of the committee

According to the Technology & Manufacturing Committee’s charter the committee must comprise of three board members appointed by the Board.

In April 2024, Bruce Grant stepped down as member of the committee and the remaining members were re-elected. Furthermore, William Fehrman was elected as new member and Lena Olving was re-appointed as Chair of the committee. There is an equal gender distribution among the members.

In August 2024, William Fehrman announced that he will step down from his board positions with effect as of 14 August 2024 to avoid any potential conflict of interest. Due to the extraordinary situation the Board has decided that the committee will consist of two members until the appointment of new members in April 2025.

The competences of the committee members are entirely relevant to the sector in which we operate. Furthermore, all members have acquired sector knowledge and experience as a result of their board membership or previous employment at Vestas.

During the year the committee held six meetings.

Members	Member since	Meeting attendance*	Attendance rate
Lena Olving, Chair	2022	6 / 6	100
Anders Runevad	2020	6 / 6	100
Stepped down in 2024			
Bruce Grant	-	0 / 1	-
William Fehrman	-	2 / 3	-

* The first figure represents attendance and the second the possible number of meetings.

The primary role of the committee

The Technology & Manufacturing Committee mainly supports the Board with:

- assessing the product and technology strategies incl. our intellectual property rights strategy, and product development plans;
- assessing the strategies for sourcing, manufacturing, and service;
- reviewing the manufacturing footprint and M&A activities; and
- reviewing the performance within health and safety, sustainability, and quality.

The committee invites the Executive Vice President & Chief Technology and Operations Officer to attend each meeting. Other members of management attend when requested to provide input on specific topics or on more detailed technical matters on an ad hoc basis.

Rules of Procedure for the Technology & Manufacturing Committee

The Rules of Procedure for the Technology & Manufacturing Committee can be found at our corporate website.

Focus areas in 2024

In addition to standard matters, the committee addressed various special focus areas, which are highlighted here:

Offshore

It takes a united Vestas effort, determination, and collaboration to deliver the first V236 offshore turbines, which are going to be installed at He Dreiht located in the German waters of the North Sea, in 2025, and commissioning is scheduled for the fourth quarter the same year.

During 2024, the committee has closely monitored the development of the turbine including the entire process from supplier engagement, manufacturing readiness incl. factory footprint and scaling of the capacity. The committee has also engaged in the challenges of the general handling, transportation, and installation of this step-changed turbine.

New organisation structure for Technology and Manufacturing

To drive industrialisation and cross-functional collaboration across product development and manufacturing, Vestas established in 2024 a united Technology, Manufacturing, Quality, and Supply Chain organisation. The committee has followed the process closely and supported the nomination of Anders Nielsen as the new Executive Vice President & Chief Technology and Operations Officer.

Manufacturing footprint

The evolution of the wind market drives a need to continuously evaluate the optimal manufacturing footprint. Also, in 2024 the V236 manufacturing footprint has been on the agenda incl. securing compliance with our sustainability strategy. The reviews and discussions undertaken by the committee in this relation have been very important.

Service

In August 2024, Vestas narrowed its financial outlook for 2024 due to adjustments to planned costs in the Service segment.

During second half-year 2024, the committee has been discussing multiple topics in relation to the service performance especially topics related to specific projects identified and initiated to address the challenges in the Service segment. The committee has been monitoring the development of these initiatives closely.

Report on the Nomination & Compensation Committee's composition and work

The composition of the committee

The Nomination & Compensation Committee comprises four board members appointed by the Board. The competences of the committee members, and therefore of the committee as a whole, are entirely relevant to the sector in which we operate. Furthermore, all members have acquired sector knowledge and experience as a result of their board membership or previous employment at Vestas.

In 2024, there were no changes to the composition of the committee and there is an equal gender distribution among the members.

During the year the committee held six meetings.



Rules of Procedure for the Nomination & Compensation Committee

The Rules of Procedure for the Nomination & Compensation Committee can be found at our corporate website.

The primary role of the Committee

The Committee operates as a preparatory committee for the Board and its primary role is to assist the Board on:

- staff-related topics;
- reviewing the performance and compensation of the Executive Management team and Regional Presidents;
- reviewing the incentive design and performance results;
- assessing our talent framework and status;
- policies for succession planning, diversity, and inclusion;
- remuneration policies and practices as well as, developments in remuneration levels, incl. variable remuneration;
- monitoring the incentive programmes to ensure that they promote ongoing, long-term shareholder value creation and comply with the Remuneration Policy;
- discussing our diversity and inclusion strategy; and
- review of ESG related reports.

The Group President & CEO and Executive Vice President, People & Culture are invited to attend each meeting. Other members of management attend when requested to provide input on specific topics or more detailed matters that may arise.

Focus areas in 2024

In addition to standard matters, the committee addressed additional specific topics in 2024, among which were:

Management succession

The committee has a strong focus on ensuring strong succession planning for both the Board, the Executive Management team, and the Regional Presidents.

In 2024, the committee discussed the succession planning at several meetings to ensure a strong candidate pipeline.

Reviewed a number of candidates for the Board as Bruce Grant and Kentaro Hosomi did not stand for re-election in 2024. Furthermore, the process continued in 2024 as William Fehrman decided to step down as member of the Board in August 2024.

Furthermore, the committee supported the establishment of a united Technology, Manufacturing, Quality, and Supply Chain organisation and the appointment of Anders Nielsen as Executive Vice President & Chief Technology and Operations Officer.

Incentives – update of the reward philosophy

Based on feedback received from investors regarding our Remuneration Report 2023, Vestas has been reviewing our reward philosophy. An external advisor has been involved in this review process. The focus has been on reviewing the overall philosophy, the total compensation pay mix, pay positioning and programme design. As a consequence of this review, the design of the 2025 long-term incentive programme will be updated.

The programme will undergo minor adjustments to the KPIs and be adjusted to three-year target setting from 2025, as is standard practice for long term incentive programmes.

Another consequence of the review was dedicated work in the committee on peer group selection for benchmarking of the Executive Management. Vestas' current positioning towards the upper quartile for total remuneration is continued and is described more explicitly together with peer group selection criteria in the Remuneration Report 2024.

Members	Member since	Meeting attendance*	Attendance rate
Anders Runevad	2020	5 / 5	100
Eva Merete Søfelde Berneke	2019	5 / 5	100
Helle Thorning-Schmidt	2019	5 / 5	100
Karl-Henrik Sundström	2023	4 / 5	80

* The first figure represents attendance and the second the possible number of meetings.

Executive Management and Executive Management team

Executive Management

In December 2024, Executive Vice President & CFO Hans Martin Smith informed of his decision to step down. From 4 December 2024 and until Jakob Wegge-Larsen takes up the position in the second quarter of 2025, Rasmus Gram will act as interim Executive Vice President & CFO.

- Henrik Andersen, Group President & CEO
- Rasmus Gram, interim Executive Vice President & CFO

Executive Management team

All members of the Executive Management team are appointed by the Board, with none of the members representing a stakeholder group. Furthermore, the Board decides in collaboration with the CEO on the split of responsibilities between individual executives.

The Executive Management team consists of the Executive Management and five Executive Vice Presidents, see the table below.

In January 2024, Anne Pearce joined the Executive Management team as our new Chief People & Culture Officer. In June, our Technology organisation merged with Manufacturing & Global Procurement to form a new Technology & Operations organisation. This new entity

provides the foundation for one enterprise-wide industrial system within Vestas, headed by Executive Vice President & Chief Technology and Operations Officer, Anders Nielsen.

The roles and responsibilities

The Executive Management team is responsible for the overall day-to-day management of the company. It observes the guidelines and recommendations issued by the Board and ensures timely reporting and provision of information to the Board, our shareholders, and other stakeholders.

The Executive Management team strives to be globally visible to all Vestas' stakeholders, demonstrating the company's values and conveying its vision and strategy. The team meets at least once a month and often more frequently. It has a rolling agenda covering a variety of standing matters, such as receiving updates from the Group President & CEO and each global functional area and conducting monthly performance reviews. For its meetings, the team invites other members of management, depending on the topics being discussed.

Each board meeting begins with an update from the Group President & CEO on the Executive Management team's activities and recommendations.

Members	Member since	Meeting attendance	Attendance rate
Henrik Andersen, Group President & CEO	2019	18 / 19	95
Rasmus Gram, Interim Executive Vice President & CFO	2024	1 / 1	100
Anders Nielsen, Executive Vice President, Technology and Operations	2020	19 / 19	100
Javier Rodriguez Diez, Executive Vice president, Sales	2021	19 / 19	100
Christian Venderby, Executive Vice President, Service	2019	19 / 19	100
Thomas Alsbjerg, Executive Vice President, Digital Solutions & Development	2022	19 / 19	100
Anne Pearce, Executive Vice President, People & Culture	2024	18 / 19	95
Left in 2024			
Tommy Rahbek Nielsen	-	8 / 8	100
Hans Martin Smith	-	18 / 18	100

* The first figure represents attendance and the second the possible number of meetings.

Rules

Rules of Procedures for the Executive Management and Executive Management team

Extracts from the Rules of Procedures for the Executive Management and Executive Management team.

Responsibilities

"... The Executive Management shall handle the company's affairs as a whole and the Executive Management is in charge of the day-to-day management of the company in compliance with the Board's decisions..."

"... The Executive Management shall at its own initiative inform the Board of all significant or unusual transactions or issues concerning the company's day-to-day management and operations..."

Composition

"... Members of the Executive Management shall be registered as such with the Danish Business Authority..."

"... The Board shall appoint the members of the Executive Management team and decides on the division of powers between the individual Executive Management team member..."

"... The Executive Management team is chaired by the Group President & CEO..."

"... The company's core business areas are managed by a member of the Executive Management team..."

Risk governance

Risk governance contributes to the steady and sustainable enhancement of the company's values and the fulfilment of our strategy. It supports our short- and medium-term objectives and helps establish the necessary foundations for business decisions, including balancing risk and opportunity appropriately.

Risk management is an integral part of the decision-making process at Vestas and is supported by our corporate Enterprise Risk Management (ERM) framework. The ERM framework provides a holistic and transparent view of our strategic and operational risk position.

Our risk governance and reporting structure

Risk management at Vestas is decentralised in accordance with our organisational structure, whereby all parts of the organisation engage in risk management as part of their daily operations.

We regularly identify, record, assess, monitor, and manage all types of risk. Key risks are reported biannually by appointed Risk Officers and Risk Owners throughout the organisation. The reported risks are reviewed and consolidated by Global Risk Management and presented to the Risk Committee and the Executive Management team.

The aim of this process is to drive understanding and improvements across our value chain and identify opportunities.

To ensure that we work systematically with the various types of risks identified, whether they are short-term, medium-term, or long-term risks, we follow the framework of the Vestas ERM annual wheel.

For additional information, see section 'Risk management' in the Annual Report 2024.

Internal controls

Financial and ESG assurance – internal control processes

We anchor internal control systems throughout the organisation to ensure systematic identification and management of all relevant risks. Processes and controls are continuously reviewed with the aim of further automating, optimising, and standardising across Vestas.

Executive Management is responsible for designing, implementing and maintaining sufficient and effective internal controls and a risk management system considered necessary to mitigate risks identified in relation to the financial and non-financial reporting process. The Board has the ultimate responsibility for ensuring that Vestas has adequate internal control systems. Meanwhile, the Audit Committee is authorised by the Board to provide oversight of the reporting and audit process, systems for internal controls, and compliance with laws and regulations. The Audit Committee reviews our financial and non-financial reporting processes.

Internal control

Group Finance is responsible for the implementation, monitoring, and reporting of our global financial and non-financial processes and internal control framework, including the quantitative ESG data consolidation process. Group Sustainability is responsible for analysing and assessing ESG data, preparing and ensuring compliance on qualitative disclosure requirements, managing progress reports and ESG rating platforms. Our financial reporting and internal controls are subject to audit by an independent audit firm elected at the Annual General Meeting. As of 2024, this assurance is aligned with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD). Our auditor's reports are available in the Annual Report 2024.

Establishing an internal audit function

As part of the Audit Committee's work the need for an internal audit function is assessed on a yearly basis. It has been decided together with Executive Management to continue the work on standardisation of processes, procedures and enhancement of related internal controls for both financial and non-financial reporting instead of establishing an internal audit function.

Artificial Intelligence control

Artificial intelligence (AI) has become a transformative force in many industries and has a huge potential in many fields, including in supply chain management, logistics, its ability to unlock new workflows, accelerate processes, handle vast amounts of data, etc.

Our approach towards AI

Today, different Vestas IT tools are linked to AI and case by case Digital Solutions is evaluating how this can affect Vestas but also how Vestas can gain from it. But to optimise our approach towards AI we need a clearer and standardised approach, incl. processes and guidelines to make sure that all pro and cons are evaluated before using AI tools.

We look at AI as a powerful tool that can assist humans rather than replace them. Therefore, we are making sure that humans are complementary to the technology and in 2025, we are going to finalise our Enterprise AI Governance Policy, to make sure that we have clear guidelines regarding Vestas' approach towards AI. Furthermore, we will be looking into how Vestas can leverage data and AI across the value chain and in collaboration with external partners investigate how we can gain from extending our use of AI in the future.

But security comes first

But still, we have to be aware that Vestas is a global company that needs to transact and communicate across borders, functions, and organisations. In order to do so, Vestas needs to rely on stable and secure IT services and a secure way of handling Vestas' information. Information and security in Vestas is based upon the ISO 27001 and ISO 27002 standards, to ensure that Vestas is concurrent with the development in information security and to base our approach on a tested worldwide approved framework.



A photograph of a wind turbine against a dramatic sunset sky with orange and grey clouds. The sun is low on the horizon, creating a strong backlight effect on the turbine's blades.

Report on the Danish Corporate Governance Recommendations

- > 1. Interaction with the company's shareholders, investors, and other stakeholders
- > 2. The duties and responsibilities of the board of directors
- > 3. The composition, organisation and evaluation of the board of directors
- > 4. Remuneration of management
- > 5. Risk management

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

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
1.1. Communication with the company's shareholders, investors and other stakeholders		
1.1.1. The Committee recommends that the management through ongoing dialogue and interaction ensures that shareholders, investors and other stakeholders gain the relevant insight into the company's affairs, and that the board of directors obtains the possibility of hearing and including their views in its work.	<p>Vestas provides information to our shareholders through regular publication of news, reports, and through general meetings – and furthermore a separate "Investor" section at our corporate website.</p> <p>To facilitate an ongoing dialogue with analysts, shareholders, potential investors and other stakeholders, and to ensure that views and opinions are shared, our Investor Relations department holds open telephone conferences in connection with the disclosure of reports.</p> <p>Following the earnings calls, Executive Management, together with representatives from Investor Relations, participate in roadshows in which meetings are held with investors and stakeholders across Europe, Asia, and North America.</p> <p>After each roadshow, Investor Relations summarises the meeting topics and investor feedback as part of a quarterly report to the Board. In addition, analyst reports on Vestas are shared with the Board on a continuous basis so the members stay informed on how the market perceives the company.</p> <p>In addition, Capital Market Days are held, when relevant, to provide a more detailed insight into our strategy and operations.</p>	We comply
1.1.2. The Committee recommends that the company adopts policies on the company's relationships with its shareholders, investors and if relevant other stakeholders in order to ensure that the various interests are included in the company's considerations and that such policies are made available on the company's website.	<p>Vestas' relations to its stakeholders – present and potential shareholders, business partners, employees, and the surrounding society – are anchored in the company's operating business model, vision, and objectives. Our relationship with our shareholders is addressed in the Articles of Association of Vestas Wind Systems A/S and the Investor Relations Communication Policy. Furthermore, the policy guiding our relationship with our stakeholders can be found in our Business Partner Code of Conduct.</p> <p>The mentioned documents can be found at our corporate website.</p>	We comply
1.1.3. The Committee recommends that the company publishes quarterly reports.	<p>Vestas discloses one annual report and three interim reports, annually.</p> <p>In 2024, the four reports were disclosed in February, May, August, and November. Our quarterly and annual reports can be found at our corporate website.</p>	We comply

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
<h2>1.2. The general meeting</h2>		
<p>1.2.1. The Committee recommends that the board of directors organises the company's general meeting in a manner that allows shareholders, who are unable to attend the meeting in person or are represented by proxy at the general meeting, to vote and raise questions to the management prior to or at the general meeting. The Committee recommends that the board of directors ensures that shareholders can observe the general meeting via webcast or other digital transmission.</p>	<p>The Board organises general meetings that promote active ownership of shareholders. The convening is submitted to our shareholders by email if they have requested it. The Board encourages all shareholders to express their views by voting at the annual general meeting and also attend in person to meet the management. Furthermore, all documents related to the general meetings are published at our corporate website. Our general meetings are streamed live, allowing shareholders and other interested stakeholders who are unable to attend to follow the general meeting.</p> <p>The date of the Annual General Meeting 2024 was announced on 8 November 2023 and the agenda was published on 8 March 2024 in due time for our shareholders to be able to schedule their attendance. Furthermore, from 14 December 2023 and until the date of the meeting, the shareholders could submit questions concerning the agenda or other documents to be used at the meeting. The deadline for the shareholders to submit proposals for the agenda was 26 February 2024.</p>	<p>We comply</p>
<p>1.2.2. The Committee recommends that proxies and postal votes to be used at the general meeting enable the shareholders to consider each individual item on the agenda.</p>	<p>Our proxies and forms to vote by correspondence and the online voting system that are provided for our general meetings allow shareholders to consider each individual item on the agenda.</p> <p>This was also the case with regard to our forms and the online voting system used for the Annual General Meeting in 2024.</p>	<p>We comply</p>
<h2>1.3. Takeover bids</h2>		
<p>1.3.1. The Committee recommends that the company has a procedure in place in the event of takeover bids, containing a "road map" covering matters for the board of directors to consider in the event of a takeover bid, or if the board of directors obtains reasonable grounds to suspect that a takeover bid may be submitted. In addition, it is recommended that it appears from the procedure that the board of directors abstains from countering any takeover bids by taking actions that seek to prevent the shareholders from deciding on the takeover bid, without the approval of the general meeting</p>	<p>According to our Takeover Response Manual, the Board is not at any time entitled to take any steps that prevent a takeover bid from being presented to and decided by the shareholders.</p> <p>In the event of a takeover bid, the Board will consider specifically what will be in the best interest of the company and all shareholders before they decide whether or not to present an offer to the shareholders.</p> <p>In order to best be able to act in the shareholders' interest in a structured way, the Board has defined procedures to be followed in case of a potential takeover bid – and a description of the responsibilities of the Board, Chair, Executive Management team, and Takeover Response team.</p>	<p>We comply</p>

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
1.4. Corporate Social Responsibility		
1.4.1. The Committee recommends that the board of directors adopts a policy for the company's corporate social responsibility, including social responsibility and sustainability, and that the policy is available in the management commentary and/or on the company's website. The Committee recommends that the board of directors ensures compliance with the policy.	<p>The Board fully acknowledges the importance of governing corporate social responsibility, including environmental, social and governance responsibility as outlined in our Employee Code of Conduct and Supplier Code of Conduct.</p> <p>In addition, a full set of policies have been adopted and implemented as the basis of our sustainability strategy "Sustainability in Everything We Do" such as the Human Rights Policy and Safety, Quality, Health and Environment Policy.</p> <p>Additionally, we are a signatory to the United Nations Global Compact and the World Economic Forum's Partnering Against Corruption Initiative.</p> <p>On an annual basis, Vestas reports on its sustainability approach, KPIs and progress in our Annual Report. Furthermore, all quarterly announcements include an update on the most important KPIs linked to our sustainability strategy.</p> <p>Annually, the policies are updated if necessary.</p>	We comply
1.4.2. The Committee recommends that the board of directors adopts a tax policy to be made available on the company's website.	<p>The purpose of the Vestas Group Tax Policy is to define global management of taxes including governance, structuring, and risk management. The policy applies to all decisions that directly or indirectly affect reporting and/or payment of taxes notwithstanding the nature of the tax as long as it falls or could fall under the liability of any Vestas company.</p> <p>In August 2024, the policy was reviewed and approved by the Board in an updated version. Vestas Tax Policy can be found at our corporate website.</p>	We comply

2. The duties and responsibilities of the board of directors

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
2.1. Overall tasks and responsibilities		
2.1.1. The Committee recommends that the board of directors in support of the company's statutory objects according to its articles of association and the long-term value creation considers the company's purpose and ensures and promotes a good culture and sound values in the company. The company should provide an account thereof in the management commentary and/or on the company's website.	In our Annual Report and at our corporate website, we describe our business model, who we are, our value creation, and culture-related topics. Our Annual Report 2024 can be found at our corporate website.	We comply
2.1.2. The Committee recommends that the board of directors at least once a year discusses and on a regular basis follows up on the company's overall strategic targets in order to ensure the value creation in the company.	<p>On a quarterly basis, the Board is updated on the traction of our strategic targets and key performance highlights of our strategic priorities. In addition, recent performance highlights and operational focus areas incl. select strategic deep dives are discussed with the Board at every meeting.</p> <p>As a key event, the Board arranges a Strategy Seminar once a year with the participation of the members of the Executive Management team to discuss and align on Vestas' vision, strategic priorities, and action plans.</p> <p>The latest strategy seminar took place in October 2024 with a continued focus on profitable growth in our core business segments. Additional information see page 9.</p>	We comply
2.1.3. The Committee recommends that the board of directors on a continuously basis takes steps to examine whether the company's share and capital structure supports the strategy and the long-term value creation in the interest of the company as well as the shareholders. The Committee recommends that the company gives an account thereof in the management commentary.	<p>The Board continuously evaluates to what extent the company's capital structure, share structure, and capital resources are reasonable to ensure that the company has sufficient funds to fulfil its liabilities and to support the business strategy on an ongoing basis in the best interest of the shareholders and the company.</p> <p>Sustainability-lined revolving credit facility In 2021, we signed a EUR 2,000 million sustainability-linked revolving credit facility. The facility's margin is closely linked to our sustainability KPIs and supports our ambitions to accelerate the deployment of renewable energy and drive technological innovation.</p>	We comply

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance															
	<p>In 2022, we established a Euro Medium Term Note (EMTN) programme. The EMTN programme provides a framework for issuances of senior unsecured notes up to an aggregated principal amount of EUR 3 billion.</p> <table> <tr> <th>Bond issued</th><th>Amount</th><th>Maturity</th></tr> <tr> <td>March 2022</td><td>EUR 500 million</td><td>June 2029</td></tr> <tr> <td>March 2022</td><td>EUR 500 million</td><td>June 2034</td></tr> <tr> <td>March 2023</td><td>EUR 500 million</td><td>June 2026</td></tr> <tr> <td>November 2023</td><td>EUR 500 million</td><td>June 2031</td></tr> </table> <p>Revolving credit facilities In March 2023, a new EUR 750 million revolving credit facility was signed with maturity in 2024, to further enhance the financial flexibility of the company.</p> <p>Committed guarantee facility In May 2024, Vestas signed a EUR 1.25 billion two-year committed, guarantee facility backed by the Export and Investment Fund of Denmark (EIFO) and a syndicate of five banks. The facility secures Vestas a comfortable headroom to provide additional security in large scale projects where this is required.</p> <p>Dividend payment 2024 In April 2024, the shareholders approved that no dividend would be paid out for the financial year 2023.</p>	Bond issued	Amount	Maturity	March 2022	EUR 500 million	June 2029	March 2022	EUR 500 million	June 2034	March 2023	EUR 500 million	June 2026	November 2023	EUR 500 million	June 2031	
Bond issued	Amount	Maturity															
March 2022	EUR 500 million	June 2029															
March 2022	EUR 500 million	June 2034															
March 2023	EUR 500 million	June 2026															
November 2023	EUR 500 million	June 2031															
2.1.4. The Committee recommends that the board of directors prepares and on an annual basis reviews guidelines for the executive management, including requirements in respect of the reporting to the board of directors.	<p>The Rules of Procedure for the Executive Management and Executive Management team sets out the overall duties and obligations of the Executive Management team and obligations regarding reporting to the Board and other communication and decision processes between the two bodies. At least once a year, the Board reviews the rules to ensure that it is updated and compliant with applicable laws and regulations and in line with best practice.</p> <p>In April 2024, the Board reviewed and approved the updated Rules of Procedure for the Executive Management and Executive Management team.</p>	We comply															

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
2.2. Members of the board of directors		
2.2.1. The Committee recommends that the board of directors, in addition to a chairperson, appoints a vice chairperson, who can step in if the chairperson is absent and who can generally act as the chairperson's close sparring partner.	<p>In accordance with article 8(2) of the Articles of Association, the Board may decide to elect a deputy chair.</p> <p>The Board has elected a deputy chair who is an effective sparring partner for the chair and will assume the responsibilities of the chair in the event of his or her absence. The Rules of Procedure for the Board of Directors include a general description of the tasks, duties, and responsibilities of the chair and the deputy chair.</p> <p>In April 2024, after the Annual General Meeting the Board re-elected Karl-Henrik Sundström as Deputy Chair.</p>	We comply
2.2.2. The Committee recommends that the chairperson in cooperation with the individual members of the board of directors ensures that the members up-date and supplement their knowledge of relevant matters, and that the members' special knowledge and qualifications are applied in the best possible manner.	As part of the annual assessment of the Board carried out in November 2024, the findings and recommendations also included an evaluation of the members' knowledge, qualifications and ensured development of this. Board members' knowledge and qualifications are taken into account when considering the composition of the Board committees.	We comply
2.2.3. The Committee recommends that if the board of directors, in exceptional cases, requests a member of the board of directors to take on special duties for the company, for instance, for a short period to take part in the daily management of the company, the board of directors should approve this in order to ensure that the board of directors maintains its independent overall management and control function. It is recommended that the company publishes any decision on allowing a member of the board of directors to take part in the daily management, including the expected duration thereof.	<p>Members of the Board must not perform duties for the company that are not an inherent part of their tasks with the exception of isolated tasks that they are requested to perform by and on behalf of the Board. If decided by the Board that the Chair or a member of the Board must participate in the day-to-day management, this decision will be disclosed in a company announcement.</p> <p>In 2024, no member of the Board participated in the day-to-day management of Vestas and did not carry out other tasks for Vestas than handling the task as board members.</p>	We comply

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

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
3.1. Composition 3.1.1. The Committee recommends that the board of directors on an annual basis reviews and in the management commentary and/or on the company's website states <ul style="list-style-type: none">• which qualifications the board of directors should possess, collectively and individually, in order to perform its duties in the best possible manner, and• the composition of and diversity on the board of directors.	<p>When proposing candidates for board membership, the Board seeks to ensure that it is possible for the general meeting to elect a Board with the right attitude, competences, and experience.</p> <p>The Board has defined the following key competences as being required by individual board members in order to support Vestas in its journey toward being the Global Leader in Sustainable Energy Solutions:</p> <ul style="list-style-type: none">• showing accountability, collaboration, simplicity, and passion;• acting independently of special interests;• representing a balance between continuity and renewal; and• being able to align with the Vestas' present situation (developing, expanding, M&A phase, etc.). <p>Collectively, the Board also needs to demonstrate knowledge of:</p> <ul style="list-style-type: none">• the industry;• international business;• accounting, finance, and capital markets;• strategic operations;• sustainability;• change management and governance;• R&D, manufacturing and logistics;• services and infrastructure;• digitalisation;• M&A;• restructuring; and• HR and people leadership <p>Furthermore, the Board must reflect the competences and experience required to manage a listed company.</p>	We comply

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
3.1.2. The Committee recommends that the board of directors on an annual basis discusses the company's activities in order to ensure relevant diversity at the different management levels of the company and adopts a diversity policy, which is included in the management commentary and/or available on the company's website.	<p>The topic of diversity is discussed by the Board at least once a year.</p> <p>In November 2024, the Board discussed diversity and reviewed the Diversity, Equity, Inclusion & Belonging Policy. The policy supports our effort to create an environment that actively embraces diversity, inclusion, and one that ensures equal access to opportunities. The Group's Diversity, Equity, Inclusion, & Belonging Policy is available at our corporate website.</p>	We comply
3.1.3. The committee recommends that candidates for the board of directors are recruited based on a thorough process approved by the board of directors. The Committee recommends that in assessing candidates for the board of directors – in addition to individual competencies and qualifications – the need for continuity, renewal and diversity is also considered.	<p>The Nomination & Compensation Committee leads the process of selecting and nominating candidates for the Board. The committee makes use of external consultants to identify and assess the profiles and qualifications specifically needed in order to supplement the expertise reflected in the overall composition of the Board.</p> <p>The combined Board decides on the final nomination to the Annual General Meeting of candidates for the Board.</p>	We comply
<p>3.1.4. The Committee recommends that the notice convening general meetings, where election of members to the board of directors is on the agenda - in addition to the statutory items - also includes a description of the proposed candidates'</p> <ul style="list-style-type: none"> • qualifications, • other managerial duties in commercial undertakings, including board committees, • demanding organisational assignments and • independence. 	<p>The notice convening our general meetings is prepared and disclosed in accordance with articles 4-7 of Vestas Wind Systems A/S' Articles of Associations.</p> <p>In 2024, the notice convening Vestas' Annual General Meeting contained a detailed description of each individual candidate, including information about position, education, former employment, other offices held in Danish and foreign companies and organisations, positions of trust, independence, and special competencies.</p>	We comply
3.1.5. The Committee recommends that members to the board of directors elected by the general meeting stand for election every year at the annual general meeting, and that the members are nominated and elected individually.	<p>Board members elected by the general meeting must retire at the following annual general meeting. However, such board members shall be eligible for re-election, ref. article 8(1) of the Articles of Association.</p>	We comply

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
3.2. The board of director's independence		
<p>3.2.1. The Committee recommends that at least half of the members of the board of directors elected in general meeting are independent in order for the board of directors to be able to act independently avoiding conflicts of interests.</p> <p>In order to be independent, the member in question may not:</p> <ul style="list-style-type: none"> • be or within the past five years have been a member of the executive management or an executive employee in the company, a subsidiary or a group company, • within the past five years have received large emoluments from the company/group, a subsidiary or a group company in another capacity than as member of the board of directors, • represent or be associated with a controlling shareholder, • within the past year have had a business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body in companies with similar relations) with the company, a subsidiary or a group company, which is significant for the company and/or the business relationship, • be or within the past three years have been employed with or a partner in the same company as the company's auditor elected in general meeting, • be a CEO in a company with cross-memberships in the company's management, • have been a member of the board of directors for more than twelve years, or • be closely related to persons, who are not independent, cf. the above-stated criteria. <p>Even if a member of the board of directors does not fall within the above-stated criteria, the board of directors may for other reasons decide that the member in question is not independent.</p>	<p>All shareholder-elected board members are deemed independent.</p>	<p>We comply</p>
<p>3.2.2. The Committee recommends that members of the executive management are not members of the board of directors and that members retiring from the executive management does not join the board of directors immediately thereafter.</p>	<p>As at 31 December 2024, no member of the company's Board is a member of Executive Management.</p>	<p>We comply</p>

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
3.3. Members of the board of directors and the number of other managerial duties		
3.3.1. The Committee recommends that the board of directors and each of the members on the board of directors, in connection with the annual evaluation, cf. recommendation 3.5.1., assesses how much time is required to perform the board duties. The aim is for the individual member of the board of directors not to take on more managerial duties than the board member in question is able to perform in a satisfactory manner.	We believe that each board member is capable of and responsible for assessing, in a satisfactory manner, his or her time commitment for the board work and each function in order that the number of functions held will not adversely impact the quality of the work performed in the Board. The topic was discussed in connection with the annual evaluation of the Board's work.	We comply
3.3.2. The Committee recommends that the management commentary, in addition to the statutory requirements, contains the following information on the individual members of the board of directors: <ul style="list-style-type: none">• position, age and gender,• competencies and qualifications relevant to the company,• independence,• year of joining the board of directors,• year of expiry of the current election period,• participation in meetings of the board of directors and committee meetings,• managerial duties in other commercial undertakings, including board committees, and demanding organisational assignments, and• the number of shares, options, warrants, etc. that the member holds in the company and its group companies and any changes in such holdings during the financial year.	Our annual reports include a detailed description of our board members, see section 'Board of Directors' in the Annual Report 2024.	We comply
3.4. Board committees		
3.4.1. The Committee recommends that the management describes in the management commentary: <ul style="list-style-type: none">• the board committees' most significant activities and number of meetings in the past year, and• the members on the individual board committees, including the chairperson and the independence of the members of the committee in question. <p>In addition, it is recommended that the board committees' terms of reference are published on the company's website.</p>	<p>We report on the following topics regarding the board committees in this report, on pages 10-12:</p> <ul style="list-style-type: none">• the composition of the committee• the most significant activities during the year• number of meetings• each member's participations <p>The charters of the board committees can be found at our corporate website.</p>	We comply

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
<p>3.4.2. The Committee recommends that board committees solely consist of members of the board of directors and that the majority of the members of the board committees are independent.</p>	<p>According to the definition of independence of the Committee on Corporate Governance, Vestas' board committees comply with the recommendation.</p> <p>In 2024, all board committees solely consisted of independent board members.</p>	We comply
<p>3.4.3. The Committee recommends that the board of directors establishes an audit committee and appoints a chairperson of the audit committee, who is not the chairperson of the board of directors. The Committee recommends that the audit committee, in addition to its statutory duties, assists the board of directors in:</p> <ul style="list-style-type: none"> • supervising the correctness of the published financial information, including accounting practices in significant areas, significant accounting estimates and related party transactions, • reviewing internal control and risk areas in order to ensure management of significant risks, including in relation to the announced financial outlook, • assessing the need for internal audit, • performing the evaluation of the auditor elected by the general meeting, • reviewing the auditor fee for the auditor elected by the general meeting, • supervising the scope of the non-audit services performed by the auditor elected by the general meeting, and • ensuring regular interaction between the auditor elected by the general meeting and the board of directors, for instance, that the board of directors and the audit committee at least once a year meet with the auditor without the executive management being present. <p>If the board of directors, based on a recommendation from the audit committee, decides to set up an internal audit function, the audit committee must:</p> <ul style="list-style-type: none"> • prepare terms of reference and recommendations on the nomination, employment and dismissal of the head of the internal audit function and on the budget for the department, • ensure that the internal audit function has sufficient resources and competencies to perform its role, and • supervise the executive management's follow-up on the conclusions and recommendations of the internal audit function. 	<p>The Board has established an Audit Committee and the chair of the committee is not the chair of the Board.</p> <p>In 2024, the Audit Committee fulfilled all the elements described in the recommendation. Additional information about the committee, see page 10.</p> <p>In 2024, the Audit Committee has discussed the need for an internal audit function. The Audit Committee has concluded to continue focus on standardisation of processes and enhancement of internal controls for both financial and non-financial reporting instead of establishing an internal audit function.</p>	We comply

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
<p>3.4.4. The Committee recommends that the board of directors establishes a nomination committee to perform at least the following preparatory tasks:</p> <ul style="list-style-type: none"> describing the required qualifications for a given member of the board of directors and the executive management, the estimated time required for performing the duties of this member of the board of directors and the competencies, knowledge and experience that is or should be represented in the two management bodies, on an annual basis evaluating the board of directors and the executive management's structure, size, composition and results and preparing recommendations for the board of directors for any changes, in cooperation with the chairperson handling the annual evaluation of the board of directors and assessing the individual management members' competencies, knowledge, experience and succession as well as reporting on it to the board of directors, handling the recruitment of new members to the board of directors and the executive management and nominating candidates for the board of directors' approval, ensuring that a succession plan for the executive management is in place, supervising executive managements' policy for the engagement of executive employees, and supervising the preparation of a diversity policy for the board of directors' approval. 	<p>The Board has established a Nomination and Compensation Committee. The tasks and responsibilities of the committee are described in the committee's charter.</p> <p>The committee shall assist the Board with assessing the time members must expect to spend on performing their Board duties. The committee must also assess the competences, knowledge and experience needed both in the Board and in the Executive Management team.</p> <p>In relation to the Executive Management team, it is furthermore the responsibility of the committee to ensure that a succession plan is in place.</p> <p>In relation to the Board, the committee proposes an action plan to the Board on the future composition of the Board, including proposals for specific changes.</p> <p>Annually, the committee assesses the structure, size, composition and results of the Board and the Executive Management team, as well as recommends any changes to the Board.</p> <p>The committee also annually assesses the competences, knowledge and experience of the individual members of the Executive Management team, and reports to the Board in this respect.</p> <p>Every three years the committee conducts an external assessment of the Board.</p>	We comply
<p>3.4.5. The Committee recommends that the board of directors establishes a remuneration committee to perform at least the following preparatory tasks:</p> <ul style="list-style-type: none"> preparing a draft remuneration policy for the board of directors' approval prior to the presentation at the general meeting, providing a proposal to the board of directors on the remuneration of the members of the executive management, providing a proposal to the board of directors on the remuneration of the board of directors prior to the presentation at the general meeting, ensuring that the management's actual remuneration complies with the company's remuneration policy and the evaluation of the individual member's performance, and assisting in the preparation of the annual remuneration report for the board of directors' approval prior to the presentation for the general meeting's advisory vote. 	<p>The Board has established a Nomination and Compensation Committee. The tasks and responsibilities of the committee are described in the committee's charter.</p> <p>The committee assists the Board with an annual review of the Remuneration Policy for approval by the Board prior to approval by the general meeting. The committee prepares proposals for incentives and remuneration accompanied by recommendations on targets and evaluation criteria for the purpose of ensuring that the remuneration matches the long-term interests of the shareholders, and the goals set for the company by the Board.</p> <p>The committee prepares proposals to the Board on remuneration for members of the Board and the Executive Management team and ensures that the remuneration is in compliance with the company's remuneration policy and the assessment of the performance of the persons concerned.</p> <p>The committee assists the Board in monitoring how the company complies with the current rules governing public insight into pay and remuneration issues, for example in the Remuneration Report and the Annual Report. The committee discusses the current status of and ongoing initiatives related to diversity and inclusion and reviews the strategy and statutory reporting on diversity and the underrepresented gender.</p>	We comply

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
3.5. Evaluation of the board of directors and the executive management		
<p>3.5.1. The Committee recommends that the board of directors once a year evaluates the board of directors and at least every three years engages external assistance in the evaluation. The Committee recommends that the evaluation focuses on the recommendations on the board of directors' work, efficiency, composition and organisation, cf. recommendations 3.1.-3.4. above, and that the evaluation as a minimum always includes the following topics:</p> <ul style="list-style-type: none">- the composition of the board of directors with focus on competencies and diversity- the board of directors and the individual member's contribution and results,- the cooperation on the board of directors and between the board of directors and the executive management,- the chairperson's leadership of the board of directors,- the committee structure and the work in the committees,- the organisation of the work of the board of directors and the quality of the material provided to the board of directors, and- the board members' preparation for and active participation in the meetings of the board of directors.	<p>Once a year, the Board evaluates its work methods, the results of its work, and the skills of its members, including whether each board member participates actively in board discussions and contributes with independent judgement. The Board will include external assistance to perform an evaluation of the Board at least once every third year, ref. the Rules of Procedure for the Board.</p> <p>In 2024, we engaged with an external partner to undertake an external assessment of the Board. Performance Evaluation Report 2024 can be found at our corporate website.</p>	We comply
<p>3.5.2. The Committee recommends that the entire board of directors discusses the result of the evaluation of the board of directors and that the procedure for the evaluation and the general conclusions of the evaluation are described in the management commentary, on the company's website and at the company's general meeting.</p>	<p>After the evaluation of the Board has been carried through, the result is presented to the Board for discussion.</p> <p>The result of the annual board evaluation 2024 was presented and discussed at the board meeting in November 2024. After the meeting, a summary was published at our corporate website. Furthermore, the result is presented in the Annual Report 2024 and the Chair will mention the overall result in his presentation at the Annual General Meeting 2025.</p>	We comply

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
3.5.3. The Committee recommends that the board of directors at least once a year evaluates the work and results of the executive management according to pre-established criteria, and that the chairperson reviews the evaluation together with the executive management. In addition, the board of directors should on a continuous basis assess the need for changes in the structure and composition of the executive management, including in respect of diversity, succession planning and risks, in light of the company's strategy.	<p>Once a year, the Board evaluates the work and performance of the Executive Management team. This evaluation takes place in a dialogue between the Nomination & Compensation Committee and the Group President & CEO, and the results of the evaluation are subsequently presented to the entire Board. The evaluation is based on the following criteria, among others:</p> <ul style="list-style-type: none">• Vestas' general performance;• Vestas' reputation and position;• implementation of Vestas' strategy (corporate strategy and sustainability strategy);• Vestas' financial targets;• the customer satisfaction survey; and• the employee satisfaction survey. <p>Succession planning is also an important task for the committee to secure the future pipeline of top leaders in Vestas. For that reason, succession planning for all Executive members was conducted in April 2024.</p>	We comply

4. Remuneration of management

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
4.1. Remuneration of the board of directors and the executive management		
4.1.1. The Committee recommends that the remuneration for the board of directors and the executive management and the other terms of employment/service is considered competitive and consistent with the company's long-term shareholder interests.	In accordance with Vestas' Remuneration Policy, 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 our shareholders. The Remuneration Policy and Remuneration Report 2024 can be found at our corporate website.	We comply
4.1.2. The Committee recommends that share-based incentive schemes are revolving, i.e. that they are periodically granted, and that they primarily consist of long-term schemes with a vesting or maturity period of at least three years.	Performance shares may be granted to members of Executive Management. In accordance with Vestas' Remuneration Policy, 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 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.	We comply
4.1.3. The Committee recommends that the variable part of the remuneration has a cap at the time of grant, and that there is transparency in respect of the potential value at the time of exercise under pessimistic, expected and optimistic scenarios.	In accordance with Vestas' Remuneration Policy, the variable part of the remuneration is capped as relative to the annual base salary of the Executive Management. The short-term incentives have an annual target payout of 50 percent of the base pay and stretching to a maximum payout capped at 75 percent of the base pay at maximum performance. The value of the long-term incentive can according to Vestas' Remuneration Policy amount to 100-200 percent of the base pay at the time of allotment grant and is capped at 300 percent of the base pay at the time of vesting.	We comply
4.1.4. The Committee recommends that the overall value of the remuneration for the notice period, including severance payment, in connection with a member of the executive management's departure, does not exceed two years' remuneration including all remuneration elements.	As described in the Remuneration Policy, Vestas can terminate the employment of members of Executive Management by giving 24 months' notice to the end of a month. A member of Executive Management can terminate the employment with Vestas by giving 12 months' notice to the end of a month. There is no agreed redundancy pay/compensation for voluntary or non-voluntary termination. These rules apply to the members of the Executive Management registered with the Danish Business Authority.	We comply

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
4.1.5. The Committee recommends that members of the board of directors are not remunerated with share options and warrants.	Members of the Board receive a fixed annual cash remuneration, which is approved every year by the General Meeting. Members of the Board receive no incentive remuneration.	We comply
4.1.6. The Committee recommends that the company has the option to reclaim, in whole or in part, variable remuneration from the board of directors and the executive management if the remuneration granted, earned or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration.	In the situation where bonus, performance shares (both vested and non-vested shares) or other variable remuneration have been provided to a member of Executive Management on the basis of data or accounts which prove to be misstated, we may within certain limitations reclaim the variable remuneration in full or in part.	We comply



5. Risk management

Recommendation	The explanation for complying, partially complying or not complying with the recommendation	Compliance
5.1. Identification of risks and openness in respect of additional information		
5.1.1. The Committee recommends that the board of directors based on the company's strategy and business model considers, for instance, the most significant strategic, business, accounting and liquidity risks. The company should in the management commentary give an account of these risks and the company's risk management.	<p>The Board reviews the enterprise risk profile of Vestas every half year and oversees the effectiveness of Enterprise Risk Management in Vestas.</p> <p>The overall strategic risk exposure is reviewed once a year and the individual risk factors associated with our activities are reviewed and discussed every quarter in the Risk Committee and reported to the Audit Committee and Board every half year. These risks and additional information on the company's risk management are accounted for in the Annual Report 2024, see section "Risk management", pages 49-50.</p>	We comply
5.1.2. The Committee recommends that the board of directors establishes a whistleblower scheme, giving the employees and other stakeholders the opportunity to report serious violations or suspicion thereof in an expedient and confidential manner, and that a procedure is in place for handling such whistleblower cases.	<p>EthicsLine is our whistleblower mechanism that enables employees and associates to report violations of the Vestas Codes of Conduct, applicable laws, and Vestas' policies and procedures.</p> <p>The main purpose of EthicsLine is to provide Vestas' employees, business partners, or anyone associated with the company, with a place to report unethical behaviour or practices observed in the workplace. The EthicsLine Policy governs the way the whistleblower system is managed at Vestas and can be found using the link to EthicsLine at vestas.com.</p> <p>The Audit Committee monitors the development and implementation of our ethics and anti-corruption programme pursuant to Vestas' Codes of Conduct. Once a year, we report on EthicsLine cases in our annual report. Our Annual Report 2024 can be found at our corporate website.</p>	We comply

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Our Annual Report

Prepared in accordance with IFRS accounting standards as adopted by the EU, EU's Corporate Sustainability Reporting Directive, and additional requirements in the Danish Financial Statements Act.



Our Remuneration Report

Prepared in accordance with the EU Shareholder Rights Directive II and contains a transparent and comprehensive overview of the remuneration of our Board and Executive Management.

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