

Remuneration report 2016 · Board of Directors

In 2016, Vestas' remuneration policy for members of Vestas Wind Systems A/S' Board of Directors was updated, and approved at the Annual General meeting in March 2016. The amendment of the remuneration policy concerned the remuneration of the chairmen of the board committees.

Efforts are made to ensure that the remuneration of the Board of Directors matches the level in comparable companies, whilst also taking into

consideration board members' required competencies, efforts and the scope of the board work, including the number of meetings.

In 2016, the Board of Directors held nine board meetings, six Audit Committee meetings, four Nomination & Compensation Committee meetings, and four Technology & Manufacturing Committee meetings.

Fixed remuneration

Members of the Board of Directors receive a fixed cash amount (basic remuneration), which is approved by the general meeting for the current financial year. The chairman receives a triple basic remuneration and the deputy chairman receives a double basic remuneration for their extended board duties.

Annual committee remuneration is paid to board members who are also members of one of the board committees. The remuneration is determined as a base fee, and the committee chairman receives an additional remuneration of 80 percent of the base committee remuneration.

Board members elected by the employees receive the same remuneration as the board members elected by the general meeting.

On any takeover, retiring board members will not receive any compensation for their lost board remuneration and similar benefits.

· Basic remuneration of EUR 53,619 (DKK 400,000) - compared to EUR 52,763 in 2015.

· Basic committee remuneration of EUR 33,512 (DKK 250,000) - compared to EUR 26,382 in 2015

· Chairmen of the committees receive EUR 60,322 (DKK 450,000) - compared to EUR 52,764 in 2015

Remuneration for ad hoc tasks

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

In 2016, no members of the Board of Directors have taken on specific ad hoc tasks.

Social security taxes and similar taxes

In addition to the remuneration, the company may pay social security taxes and similar taxes imposed by non-Danish authorities in relation to the remuneration.

EUR 106,263 – compared to EUR 95,809 in 2015.

Incentive programme, bonus pay, etc.

According to the remuneration policy the members of the Board of Directors are not included in incentive programmes (share programmes, bonus pay, or similar plans).¹⁾

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Reimbursement of expenses

Expenses in connection with board and committee meetings are reimbursed as per account rendered.

EUR 22,069 – compared to EUR 40,308 in 2015.

Pension scheme

The Board of Directors is not covered by any Vestas pension scheme or a defined benefit pension scheme.

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Members of the Board of Directors


Number

2014 

2015 

2016 

 Members elected by the general meeting

 Members elected by the employees

The Board of Directors has defined a target outlining that members of the underrepresented gender should constitute two to three board members elected by the general meeting no later than in 2017.

Board of Directors remuneration for the financial year²⁾

	2016		2015	
	Number of members	EUR	Number of members	EUR
Board	12	804,285	12	791,445
Committees:				
Audit	4	160,858	4	131,910
Nomination & Compensation	4	160,858	4	131,910
Technology & Manufacturing	4	160,858	4	131,910

1) Employee elected members of the Board of Directors participate in incentive programmes, bonus pay, etc. on equal terms with other Vestas employees, ref. note 6.2 to the consolidated financial statements. Vestas annual report 2016, page 100.

2) Exclusive of social security taxes and similar taxes.