

Remuneration report 2013 for the Board of Directors

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.

According to law firm Gorrissen Federspiel's remuneration analysis of Large Cap and OMX C20 CAP companies listed on NASDAQ OMX Copenhagen A/S in Denmark, the average remuneration (excl. of committee remuneration) in 2012 for the chairman of a board was EUR 0.15m (DKK 1.1m), for a deputy chairman EUR 0.09m (DKK 0.7m) and for an ordinary board member EUR 0.05m (DKK 0.4m).¹⁾

Remuneration policy and incentive pay

The Nomination & Compensation Committee has the responsibility of presenting recommendations to the Board of Directors about the remuneration policy established for the Board of Directors. The remuneration policy covers all types of pay and remuneration, including regular pay, incentive earning schemes (including share-based remuneration), pension schemes as well as severance pay, etc.

The remuneration policy and the general guidelines for incentive pay were approved by the shareholders at the Annual General Meeting in March 2013.²⁾

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.

In addition to the basic remuneration, annual committee remuneration is paid to board members who are also members of one of the board committees. The chairman receives double committee remuneration.

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

In 2013, the Board of Directors held 12 board meetings, six Audit Committee meetings, four Nomination & Compensation Committee meetings and four Technology & Manufacturing Committee meetings.

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.

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.

Incentive programme, bonus pay, etc.

The members of the Board of Directors are not included in incentive programmes (share option programmes, bonus pay or similar plans).³⁾

Compensation on takeover of Vestas Wind Systems A/S

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

Reimbursement of expenses

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

Pension scheme

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

Remuneration approved by the Annual General Meeting

At the Annual General Meeting in March 2013, the shareholders approved the level of remuneration for the Board of Directors for the financial year 2013 to remain at the 2012 level.

- basic remuneration of EUR 43,606
- basic committee remuneration of EUR 21,804

For 2013, a total of EUR 1.0m was paid in remuneration to board and committee members compared to EUR 1.2m in 2012, ref. note 6 to the consolidated accounts. In 2012, the chairmanship received an extraordinary remuneration of EUR 0.2m due to unexpected and extensive workload.

Board of Directors' remuneration for the financial year⁴⁾

	2013		2012	
	Number of members	EUR	Number of members	EUR
Remuneration	12	654,090	12	654,090
Audit Committee remuneration	4	109,020	3	87,216
Nomination & Compensation Committee remuneration	4	109,020	3	87,216
Technology & Manufacturing Committee remuneration	5	130,824	4	109,020
Remuneration for ad hoc tasks	-	-	2	230,000
Total remuneration for the financial year		1,002,954		1,167,542

1) Gorrissen Federspiel: Large Cap companies (remuneration, composition, Board of Directors and Executive Management 2012). June 2013.

2) Read more: www.vestas.com/en/investor/corporate_governance.

3) In his position as Senior Vice President in Vestas Wind Systems A/S, board member Knud Bjarne Hansen has been granted options and performance shares, ref. note 32 to the consolidated accounts. Vestas annual report 2013.

4) Exclusive of social security taxes and similar taxes.