

# Rules of procedure for the Executive Management

Vestas Wind Systems A/S  
Company Reg. No. 10 40 37 82

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## Members of the Executive Management

The Executive Management<sup>1</sup> (the ExM) of Vestas Wind Systems A/S (the Company) is employed by the Company's Board of Directors (the Board).

The Group President & CEO and the Executive Vice President & CFO is registered with the Danish Business Authority. The Board decides if any of the other members of the ExM shall be registered with the Danish Business Authority.

If the Company appoints more than one member to the ExM, the Board will designate one member as Group President & CEO and head of the ExM's day-to-day business. Moreover, the Board decides on the division of powers between the individual executive management members. The ExM must have sufficient expertise and experience in managing a company listed for trade at a stock exchange and in fulfilling the obligations of such company.

## Duties, powers and responsibilities towards the Board of Directors

It is the obligation of the ExM to manage the Company prudently in accordance with applicable law and the Company's Articles of association.

The ExM shall handle the Company's affairs as a whole and is in charge of the day-to-day management of the Company in compliance with the Board's decisions and these rules of procedure.

Moreover, the ExM ensures that decisions passed by the Board are implemented, and that the Board receives the information/materials necessary to hold board meetings as provided in the rules of procedure for the Board.

The day-to-day management does not include transactions which considering the Company's position are unusual or of great importance to the Company. The ExM may perform such transactions if so specifically authorised by the Board unless the Board's decision in this regard cannot be awaited without causing significant disadvantage to the Company's business. In any such case, the Chairman of the Board (the Chairman) shall be notified of the transaction performed without undue delay.

The ExM 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.

For example, the ExM shall notify the Board in the following instances:

- accounting follow-up and reporting on deviations;
- reporting on investments exceeding the budget sums;
- employment and dismissal of Group Senior Vice Presidents / Senior Vice Presidents that report directly to the ExM and other significant organisational changes;
- large debtor losses;
- strikes and other significant conflicts;
- important legal actions; and
- issues of particular interest to the press.

The registered members of the ExM are entitled to attend and speak at meetings of the Board unless the Board decides otherwise in specific instances.

Furthermore, the Company's internal rules describe in further detail the duties and responsibilities of the ExM according to the Company's obligations as a listed company.

## Objectives and strategy

In consultation with the Chairman, the Group President & CEO shall ensure that strategy plans are prepared and presented to the Board.

Moreover, the Group President & CEO shall see to it that an annual strategy seminar is arranged to be attended by the Board and the ExM. The Chairman and the Group President & CEO will discuss prior to the seminar which points to include on the agenda as well as the attendance of additional senior managers.

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<sup>1</sup> In this document "Executive Management" is defined as both members registered as such with the Danish Business Authority and not registered members.

## Budgets

Before the beginning of each financial year, the ExM shall present for the approval of the Board a budget proposal of the Company's expected operating result, investment plans, cash flow and other financial figures prepared in accordance with approved budget and accounting principles. During the financial year, the ExM shall prepare on a current basis adjusted estimates based on operational changes and present these to the Board.

## Financial reporting

### Interim accounts

The ExM shall prepare monthly accounts with comments that comprise as a minimum profit and loss account, balance sheet and cash flow statement for the Group for the period.

The ExM shall aim to present the monthly accounts to the Board not later than at the end of the succeeding month. The final layout and scope will currently be adjusted in consultation with the Board.

Interim accounts for the first, second and third quarters will be sent to the Board together with the draft interim report.

### The annual report

The ExM prepares a proposal for the external annual report with management report to be reviewed by the auditor(s) and then presented to the Board. The ExM must ensure that the Company's auditor(s) can carry out the audit according to the applicable rules.

## Incapacity

A member of the ExM may not participate in the consideration of matters concerning agreements between the Company – or companies within the Group to which the Company belongs – and the member in question or concerning lawsuits against the member in question, or concerning agreements between the Company/Group and a third party or lawsuits against a third party if the member in question has a significant interest therein that may conflict with the interests of the Company or the Group.

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

## Duty of confidentiality

All information, whether oral or written, including documents received by a member of the ExM, is confidential.

Members of the ExM are obliged to keep material concerning the Company in such a manner as to prevent that no unauthorized person gains access to it.

Upon resignation, a member of the ExM shall destroy or return to the Chairman all confidential material that may be in the possession of the member, and that the member may have received in her/his capacity of member of the ExM, as well as any copies or counterparts of such material.

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

Members of the ExM have a duty of confidentiality with regard to any information they may receive in their capacity of executive management member. Apart from business and trade secrets, information on salary and employment terms, profits and prices, the duty of confidentiality also covers any information received by members of the ExM through their employment, unless the Board decides or applicable legislation prescribes that such information is to be made public.

## Statements to the press and dialogue with the Company's stakeholders

The ExM is entitled to speak to the press or address the public in matters concerning the Company. Unless otherwise agreed in each individual case, matters concerning the Board and shareholders shall be referred to the Chairman.

The Group President & CEO of the Company makes statements on overall and general matters regarding the day-to-day operations of the Vestas Group.

The other members of the ExM may only comment on matters relating to their own area of responsibility in the ExM. The individual members of the ExM may, in agreement with the Group Senior Vice President of Group Marketing, Communications & Public Affairs (GMCP), appoint employees in their organisation who may also make statements on specific areas, e.g. in connection with publication of news releases. However, they shall not make general statements about the Company, other functions or about other markets.

The ExM shall enter into an active dialogue with the Company's stakeholders in order to develop and strengthen the Company.

The provisions concerning authorization to speak on behalf of the Company are described in further detail in "Vestas' Communication Strategy".

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

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

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

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

The members of the ExM shall in writing inform the persons covered by the definition of "person closely associated" of their obligations, including the notification obligation, and keep a copy of this notification, in accordance with "Vestas' Internal Rules".

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

The ExM is registered on "Vestas' Global Insider List" – as permanent insiders.

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

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

#### **Speculative transactions**

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

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

New executive management members must by their signature accept these rules of procedure upon their appointment as executive management member in the Company at the latest.

These rules of procedure may be amended by the Board by a simple majority of votes.

These rules of procedure for the ExM were adopted by the Board at the meeting held on 7 April 2020 and enter into force immediately after the time of adoption and replace the former rules of procedure of 3 April 2019.

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