

## Company announcement from Vestas Wind Systems A/S

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### Share-based incentive programme 2020

The Board of Directors of Vestas Wind Systems A/S has decided to continue the share-based incentive programme for all participants, including Executive Management, and launch a new programme for 2020 based on the terms and conditions governing the restricted performance share programme for the year 2019, cf. Vestas' Remuneration policy.

The share-based incentive programme follows the structure of the previous programme and will still be based on restricted performance shares. The programme has a performance period of three years and a performance measurement based on financial key performance indicators as well as commercial targets as defined by the Board of Directors.

Participants	<p>Executive Management and other specified senior management level positions.</p> <p>The programme for 2020 includes approx. 200 participants.</p>
Number of shares	<p>The number of shares to be allocated is based on a defined target level for each position. No payments for any vesting are made by the participants. If all KPIs are reached on target level, a total of 320,000 shares will be vesting from the programme with a total present value calculated based on the current share price amounting to EUR 27m (value at close of Nasdaq Copenhagen on 20 May 2020).</p> <p>The actual number of restricted performance shares available for distribution may range between 0 and 150 percent of the target level and is determined by Vestas' performance in the financial years 2020, 2021 and 2022. The maximum grant of shares under the programme in total is 480,000 shares.</p> <p>The number of shares allotted to the registered directors in Executive Management (the CEO and CFO), will follow the guidelines as described in Vestas' Remuneration policy. The CEO will for 2020 be allotted a target allocation of 30,000 shares and the CFO 12,500 shares for target achievement. The 2020 target number of shares</p>

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	corresponds to approx. 100 percent of the annual base salary for the CFO and approx. 160 percent of the annual base salary for the CEO.
Time of vesting	The restricted performance shares will be vesting in 2023 and 2025.
Key Performance Indicators	<p>The KPIs are based on financial targets including Earnings per share (50 percent weight), Return on Capital Employed (30 percent weight), Vestas' market share (20 percent weight), as well as commercial targets for a few relevant participants. All KPIs and targets are defined by the Board of Directors. The KPIs are expected to remain the same throughout all three performance years. However, the Board of Directors will annually evaluate the selected KPIs and may redefine or adjust these for any individual performance year.</p> <p>Each KPI pays out individually when reached at threshold level as a minimum. If the KPI is not reached at the minimum threshold requirement of index 50, the KPI will not result in any pay-out for the given financial year.</p>
Conditions	The restricted performance shares are governed by the specific terms and conditions of the programme and subject to mandatory law. If a participant chooses to leave Vestas before the time of vesting, the participant's rights to receive the shares will generally lapse.
Adjustments to the programme	The number of shares available for vesting may be adjusted in the event of changes in Vestas' capital structure. In addition, calculation of the key performance indicators may be adjusted for certain non-operational events. Further, in the event of a change of control, merger, winding-up or demerger of Vestas, an accelerated vesting may extraordinarily take place. In the event of certain transfers of activities or changes in ownership interests within Vestas, adjustment, replacement of the programme and/or settlement in cash of the programme entirely or partly may also take place.

### Contact details

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