



VESTAS WIND SYSTEMS AS

MEETING DATE	Tue, 07 Apr 2020 13:00	TYPE	AGM	ISSUE DATE	Tue, 31 Mar 2020
MEETING LOCATION	The Concert Hall Aarhus (Musikhuset Aarhus), Thomas Jensens Alle, Aarhus, Denmark				
CURRENT INDICES	FTSE EuroFirst				
SECTOR	Steam, gas, and hydraulic turbines, and turbine generator set units				

PROPOSALS		ADVICE
1	Receive Report of Board Non-voting agenda item.	Non-Voting
2	Adopt the Annual Report Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. No serious governance concerns have been identified. Triodos supports this resolution.	For
3	Approve Allocation of Income and Dividends of DKK 7.93 Per Share The Board proposes a dividend of DKK 7.93 Per Share. The dividend is covered by earnings. Acceptable proposal. Triodos supports this resolution.	For
4.a	Elect Anders Runevad as New Director Not considered to be independent as the candidate was past employee, previously the CEO and President of the Company. However, there is sufficient independence on the Board.	For
4.b	Reelect Bert Nordberg as Director Independent Non-Executive Director. Triodos supports this resolution.	For
4.c	Reelect Bruce Grant as Director Independent Non-Executive Director. Although there are concerns over the director's potential time commitments, the director's attendance of board and committee meetings during the year under review was sufficient. Triodos supports this resolution.	For
4.d	Reelect Carsten Bjerg as Director Independent Non-Executive Director. Although there are concerns over the director's potential time commitments, the director's attendance of board and committee meetings during the year under review was sufficient. Triodos supports this resolution.	For
4.e	Reelect Eva Merete Sofelde Berneke as Director Independent Non-Executive Director. Although there are concerns over the director's potential time commitments, the director's attendance of board and committee meetings during the year under review was sufficient. Triodos supports this resolution.	For
4.f	Reelect Helle Thorning-Schmidt as Director Independent Non-Executive Director. Support is recommended.	For
4.g	Elect Karl-Henrik Sundstrom as New Director Independent Non-Executive Director. Triodos supports this resolution.	For
4.h	Reelect Lars Josefsson as Director Independent Non-Executive Director. Support is recommended.	For

5.1 Approve Remuneration of Directors for 2019	It is proposed to approve the implementation of the remuneration report. The payout is in line with best practice, under 200% of the fixed salary. However, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended.	Oppose
5.2 Approve Fees Payable to the Board of Directors.	It is proposed to increase the amount payable to the Board of Directors by less than 10% on annual basis. The board is seeking authorization to approve the remuneration of Directors for 2020 at DKK 1.28 Million for Chairman, DKK 850,000 for Vice Chairman, and DKK 425,000 for Other Directors; Within recommended guidelines. Support is therefore recommended.	For
6 Appoint the Auditors	PWC proposed. Non-audit fees represented 100.00% of audit fees during the year under review and 71.43% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years and there are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Triodos opposes this resolution.	Oppose
7.1 Approve Guidelines for Incentive-Based Compensation for Executive Management and Board	It is proposed to approve the remuneration policy with a binding vote. Variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which may lead to overpayment against underperformance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. Nevertheless, opposition is recommended based on potential excessive variable remuneration. Triodos opposes this resolution.	Oppose
7.2 Amend Articles Re: Change of Standard Agenda for Annual General Meeting	It is proposed to amend the articles in order to change the standard agenda for the meeting. This change will ensure that the remuneration report is voted on as part of the standard AGM agenda. This is in line with the new section 139b in the Danish Companies Act, according to which the Company is required to submit a remuneration report for an advisory vote at the Company's annual general meeting, starting in 2021. Triodos supports this resolution.	For
7.3 Authorise Cancellation of Treasury Shares	The board is seeking authorization to approve DKK 1.9 Million Reduction in Share Capital via Share Cancellation. As it is considered that this does not have a negative effect on shareholder rights, a vote in favour is recommended.	For
7.4 Authorise Share Repurchase	It is proposed to authorise the Board to purchase Company's shares until next AGM. The requested authority falls within acceptable recommended limits set by regulatory authorities for respective local markets.	For
8 Authorize Editorial Changes to Adopted Resolutions in Connection with Registration with Danish Authorities	Standard resolution. Support is recommended.	For

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