



Ørsted
Remuneration
report 2019

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Remuneration report 2019

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Chairman's statement

Dear shareholder

On behalf of the Board of Directors, I present the remuneration report for 2019.

The report has been prepared to meet the requirements of the new section 139b of the Danish Companies Act. The report is further prepared in accordance with the European Commission Guidelines' draft on the standardised presentation of the remuneration report as regards the encouragement of long-term shareholder engagement. The report will be presented for an advisory vote at the Annual General Meeting in March 2020.

The remuneration policy was unchanged in 2019 compared to 2018. The overall objective of the remuneration policy is to attract and retain qualified members of the Board of Directors and the Executive Board. The policy includes remuneration elements that support our strategy, long-term interests and sustainability. Similar objectives are implemented in our remuneration policy for management and employees to ensure a fully aligned effort in all parts of the organisation.

Our objective in this report is to give a transparent and comprehensive overview of the remuneration of our Executive Board and Board of Directors.

The remuneration of our Executive Board in 2019 reflects a strong year with strategic progress, continued global expansion, very satisfactory financials and the achievement of other major milestones. However, it also reflects the fatal accident we had at the Avedøre Power Station. In total, the cash-based incentive scheme for the CEO and CFO amounted to 93% and 86% of the maximum bonus, respectively.

The Executive Board's share-based incentive scheme (LTI) designed to support the strategy, long-term interests and sustainability of Ørsted vested for the first time in May 2019. Ørsted was ranked number one when benchmarked on TSR against ten comparable energy companies. Therefore, the maximum number of shares vesting was granted. The combination of a TSR of 99% driven by the very positive development in the share price since the grant and the ranking among peers resulted in a value of the LTI programme close to 80% of the Executive Board's base salary at the time of the grant in 2016.



On behalf of the Board of Directors, I present the remuneration report for 2019.



Thomas Thune Andersen
Chairman of the Nomination
& Remuneration Committee

Summary of remuneration policy

Remuneration policy (extract)

The overall objective of our remuneration policy is to support the Ørsted Group's strategy, long-term interests and sustainability. To attain this objective, the policy is designed to attract and retain qualified members of the Board of Directors and the Executive Board, and to guide the priorities of the Executive Board.

The remuneration of the Executive Board includes short-term cash-based and long-term share-based incentive remuneration, which is designed to support the strategy, long-term interests and sustainability of Ørsted.

The short-term cash-based scheme includes among other things, environmental, social and governance (ESG) targets. The long-term share-based incentive scheme is based on Ørsted's total shareholder return (TSR) relative to peers to ensure a transparent link between Ørsted's performance and the value of the scheme.

The remuneration level should be competitive, but not market-leading, compared to the remuneration levels in other major Danish listed companies with international activities.

The Board of Directors receive a fixed annual fee.

The full remuneration policy is available at orsted.com/Remuneration-policy.

Remuneration structure

The remuneration structure for the Executive Board is shown in the table below. The two incentive schemes are described in more detail on the following pages.

Remuneration structure¹

Element	Objective	Remuneration level	Performance measure
Fixed base salary	Align with market to attract and retain qualified executives.	Competitive, but not market leading, compared to the levels in other major listed Danish companies with international activities.	None
Cash-based incentive scheme (STI)	Support the strategy of Ørsted.	Target of 15% of the fixed base salary. The maximum bonus amounts to 30% and will be paid out in case of full achievement of all performance targets.	The performance reward agreement consists of three targets: – individual business and leadership target which include environmental, social and governance (ESG) targets (60%) – financial target (30%) – safety target (10%).
Share-based incentive scheme (LTI)	Support the strategy, long-term interests and sustainability of Ørsted.	Target of 20% of the annual fixed base salary at the time of grant. After three years, shares will be allocated at 0-200% of the number of performance share units (PSUs) granted, depending on Ørsted's total shareholder return compared to peers.	The final number of shares will be determined on the basis of Ørsted's total shareholder return benchmarked against peers in the energy industry.
Pension, incl. social security and benefits	Align with market to attract and retain qualified executives.	Pension contribution is considered included in the fixed base salary. The Executive Board is covered by Ørsted's insurance schemes.	None
Severance pay	Align with market to attract and retain qualified executives.	If a member of the Executive Board is terminated by the company, the person is entitled to 24 months' salary, composed of full remuneration during the 12 months notice period and 12 months of severance pay (fixed base salary only).	n.a.

¹ The Executive Board does not receive any remuneration (e.g. board fees or similar) from associated companies in the Group.

Cash-based incentive schemes (STI)

The short-term incentive scheme (STI) is a variable cash-based incentive scheme with a term of 12 months. The target bonus amounts to 15% of the fixed base salary and may not exceed 30%. The Nomination & Remuneration Committee of the Board of Directors will make proposals for remuneration of the Executive Board, which will be subject to approval by the entire Board of Directors. These include settlements of short-term incentive schemes for the preceding year and new targets for the coming year.

The Executive Board's individual business targets are tied directly to Ørsted's green growth strategy to build out renewable energy. The individual business targets comprise a number of items which are defined at the beginning of the year and updated during the year, if new targets become relevant, to ensure continuous alignment with shareholder interests. See page 7 for a more detailed description of the targets.

Share-based incentive scheme (LTI)

The Executive Board is covered by a share programme. It is a condition for being granted performance share units (PSUs) that the participant holds a number of Ørsted shares, representing a value equal to a share of each participant's fixed base salary. For the CEO, this share is at least 75% of the fixed base salary, and for the CFO it is 50%.

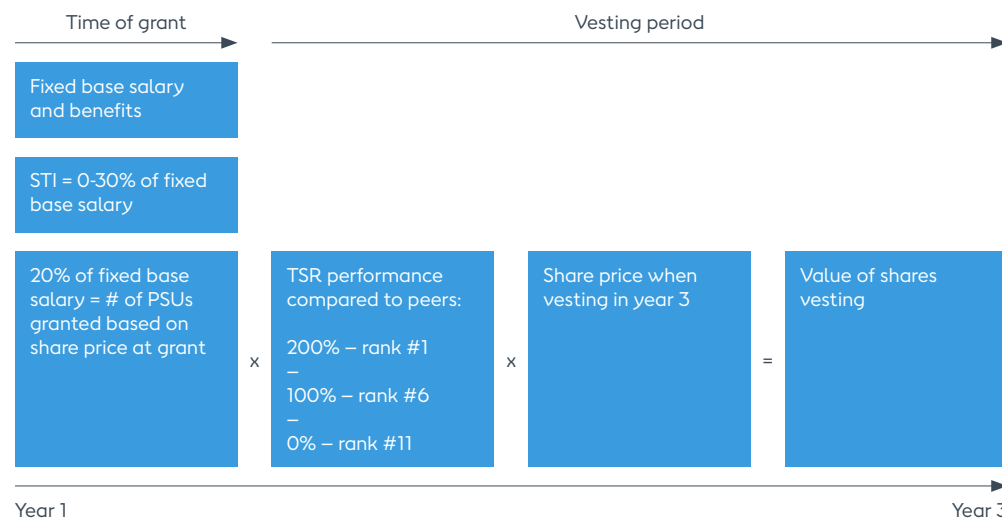
If the participants fulfil the shareholding requirement at the time of the annual grant, they will receive a number of PSUs, representing a value equal to 20% of their fixed base salary at the time of granting.

The PSUs granted have a vesting period of three years, after which each PSU entitles the holder to receive a number of shares free of charge, corresponding to 0-200% of the number of PSUs granted. The number of shares are capped at 200% of the PSUs, however, the value of the shares is unlimited, as there is no cap on share price increases. Assuming no share price development since the grant, the value would correspond to 0-40% of the fixed base salary at the time of the grant. The final number of shares for each participant will be determined on the basis of the TSR delivered by Ørsted, benchmarked against ten peers in the industry, i.e. 200% if Ørsted ranks first, 100% if sixth, and no shares if we rank last.

The minimum, target and maximum remuneration scenarios are shown in the bottom chart, based on an unchanged share price from the time of the grant to vesting. The chart further illustrates three scenarios, assuming the maximum performance and vesting of 200% combined with different share price developments.

If a member of the Executive Board leaves Ørsted as a result of his or her own resignation or due to breach of his or her employment, the entitlement to shares vesting after the notice period is lost.

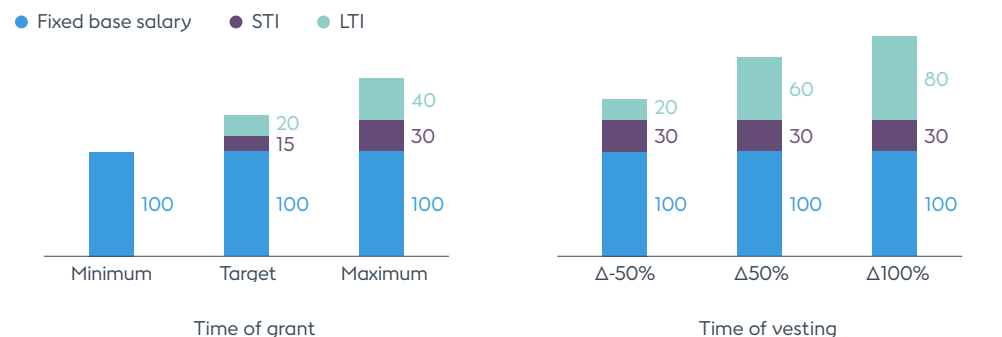
Remuneration structure and timing



The table illustrates the components and timing of the Executive Board remuneration. In year 1, a fixed base salary and a potential STI are awarded.

Furthermore, a fixed number of PSUs are granted in year 1 with a three-year vesting period.

STI and LTI payout scenarios at min., target and max. performance and vesting scenarios, %



Scenarios illustrating remuneration structure at grant share price.

Scenarios illustrating remuneration at max. STI, LTI and vesting factor and with different TSR levels for the vesting period.

Remuneration of the Executive Board

Remuneration in 2019

The remuneration to our CEO and CFO in 2019 was in line with our remuneration policy. It reflects a year with very strong operational and financial results where we have strengthened our position as a world leader in green energy even further, among other things by winning two large-scale offshore projects. These circumstances have resulted in high achievements of targets for variable remuneration. However, total expensed remuneration shows a decrease compared to 2018, primarily due to the expiration of the IPO Executive Retention Programme.

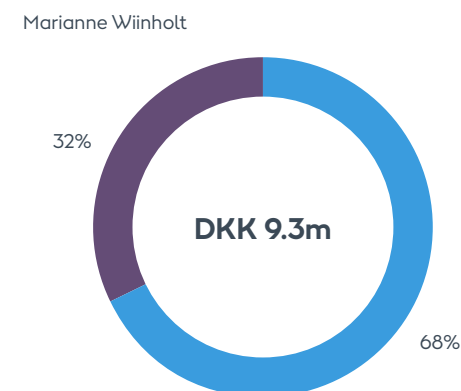
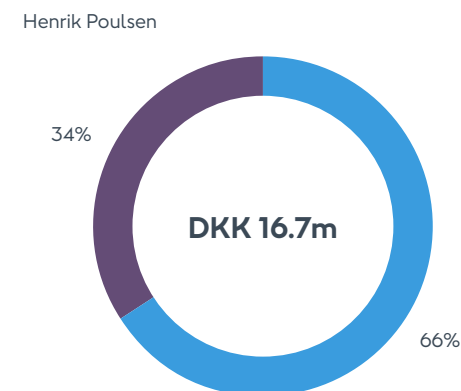
The remuneration from the share-based incentive programme stated in the table below reflects the market value of the scheme at the time of grant, distributed over the vesting period. Thus, it is different than the value of the granted PSUs for the individual year.

The expensed remuneration to our CEO totalled DKK 16.7 million in 2019, representing a decrease of 4% compared to 2018. The cash bonus (STI) made up DKK 3.0 million, corresponding to 93% of the maximum bonus. Although TRIR of 4.9 was better than the target of 5.2, the safety target score was

adversely impacted by the fatal accident at the Avedøre Power Station, resulting in a 31% score. The financial target EBITDA reached a 100% score. EBITDA exceeded our expectations at the beginning of the year as a result of increased earnings from our offshore and onshore wind farms as well as high earnings from our partnerships and trading activities. The individual business and leadership targets (see page 7) reached 100%, reflecting a year where all milestones were achieved, including an increased presence globally.

Composition of fixed and variable remuneration, expensed 2019, %

- Fixed remuneration
- Variable remuneration



Expensed remuneration of the Executive Board, DKK '000

Element	Henrik Poulsen, CEO				Marianne Wiinholt, CFO			
	2019	%	2018	%	2019	%	2018	%
Fixed remuneration								
Fixed based salary	10,762	64	10,500	61	6,047	65	5,900	61
Benefits, incl. social security	306	2	313	2	258	3	242	2
Variable remuneration								
Cash-based incentive schemes (STI)	3,007	18	2,993	17	1,554	17	1,637	17
Share-based incentive scheme (LTI) ¹	2,618	16	2,306	13	1,429	15	1,231	13
IPO Executive Retention Bonus	0	0	1,232	7	0	0	643	7
Total remuneration	16,693	100	17,344	100	9,288	100	9,653	100
STI in % of maximum bonus	93%		95%		86%		93%	

¹ The expensed remuneration includes the grant value of the LTI in the year of the grant, distributed over the three-year vesting period.

Performance of the Executive Board

Performance criteria and applicable remuneration		Henrik Poulsen, CEO		Marianne Wiinholt, CFO	
		Objectives	Score	Objectives	Score
Safety target	10%	– TRIR ¹ compared to target	31%	– TRIR ¹ compared to target	31%
		– EBITDA compared to target	100%	– EBITDA compared to target	100%
Specific individual business and leadership targets	30%	– First-class safety culture and standards		– First class safety culture and standards	
		– ROCE in line with plan		– ROCE in line with plan	
		– Deliver major construction projects on budget and on time		– Manage capital structure within current rating commitments	
		– Win auctions and/or secure key access rights/permits in Offshore's existing and new strategic markets, e.g. the US and Taiwan, with a sustained focus on value creation		– Proactively manage risks related to currencies, interest rates and inflation	
		– Investigate and pursue additional value creating growth opportunities within renewable energy, incl. potential acquisitions		– Develop financial and IT platforms in new markets	
		– Continue to reduce the cost of electricity in offshore wind		– Deliver on initiatives to raise IT security level	
		– Develop potential new markets for offshore wind		– Deliver on digital transformation	
		– Implement new talent development approach		– Implement new talent development approach	
		– Sign agreement to divest our Danish power distribution (Radius), residential customer and city light businesses		– Sign agreement to divest our Danish power distribution (Radius), residential customer and city light businesses	
		– Continue journey to raise Ørsted's corporate profile as a global leader in renewable energy and sustainability		– Enhance sustainability transparency through inclusion of scope 3 GHG emissions in ESG/CSR reporting	
	60%	– Deliver on path towards 99% green share of generation by 2025 and reduce greenhouse gas (GHG) emissions by 98% by 2025	100%	– Deliver on path towards 99% green share of generation by 2025 and reduce greenhouse gas (GHG) emissions by 98% by 2025	88%
Total STI, %			93%		86%
Total STI award, DKK '000			3,007		1,554

¹ Total recordable injury rate (TRIR). Reduced by 50% due to the fatal accident at Avedøre Power Station.

The expensed remuneration to our CFO totalled DKK 9.3 million, representing a decrease of 4% compared to 2018. The cash bonus (STI) made up DKK 1.6 million, corresponding to 86% of the maximum bonus. The safety target reached 31% due to the fatal accident mentioned above. The financial target reached 100%. The CFO's individual business and leadership targets reached a 88% score, also reflecting a year with several important milestones achieved.

Both members of the Executive Board were covered by the share programmes from September 2016, April 2017, April 2018 and April 2019, which were all partly being expensed in 2019. The IPO retention bonuses for 2018 constituted the phase-in to the vesting of the first share programme in May 2019.

The composition of expensed fixed and variable remuneration is seen in the chart on page 6. The cash-based remuneration is described on page 9.

See appendix for further information regarding remuneration of the Executive Board.



The table is a non-exhaustive summary of the individual business targets for our CEO and CFO as well as shared Group targets. They must deliver fully on all their individual targets in order to achieve the maximum cash bonus (STI).

The other members of Group Executive Management have their own individual business targets and are remunerated according to the same model as described to the left.

Peer group ranking for 2016 grant at time of vesting in 2019

	TSR	Rank
Ørsted	99.8%	1
RWE	75.0%	2
E.ON	66.6%	3
Enel	63.4%	4
Fortum	59.7%	5
Iberdrola	42.9%	6
EDP	39.9%	7
EDF	28.9%	8
EDP Renováveis	25.5%	9
SSE	-12.5%	10
Centrica	-41.6%	11

Vesting of long-term incentive scheme

The share-based incentive scheme vested for the first time in 2019. Ørsted was ranked number 1 when benchmarked on total shareholder return against ten comparable energy companies during the period of the share programme. See table above.

As a result of this, Henrik Poulsen received 14,298 shares, corresponding to 200% of the

Shares owned by the Executive Board

	Henrik Poulsen, CEO	Marianne Wiinholt, CFO
Number of Ørsted shares owned at 31 December 2018	130,500	83,916
Added shares	14,298	7,460
Shares sold	0	0
Number of Ørsted shares owned at 31 December 2019	144,798	91,376
Fair value of Ørsted shares at 31 December 2019 in DKK	99,765,822	62,958,064
Fair value of Ørsted shares at 31 December 2019 in percentage of fixed base salary for 2019	927%	1,041%



The table shows that both members of the Executive Board meet the shareholding requirement.

number of PSUs granted for the 2016 programme. The corresponding share value at the time of vesting amounted to DKK 7.4 million. Marianne Wiinholt received 7,460 shares, corresponding to 200% of the number of PSUs granted. The corresponding share value at the time of vesting amounted to DKK 3.8 million. Thus, the combination of the ranking and share price performance (87% since the grant), resulted in a value of the LTI programme equal to 80% of the Executive Board's base salary at the time of the grant in 2016.

Share holdings

Our CEO and CFO held 144,798 and 91,376 shares at 31 December 2019, respectively, corresponding to approx 9 and 10 years of annual fixed base salaries in shares. This adds to the close alignment of interests with shareholders.

Holding of unvested PSUs

At year end, the value of the granted, but unvested share programme was DKK 12.7 million and DKK 6.9 million for the CEO and CFO, respectively.

Performance period and key assumptions for valuation of PSUs

	2019	2018	2017	2016
Share price at the time of granting	504	392	269	275
Average volatility, peers	22.3%	24.5%	24.9%	25.6%
Volatility, Ørsted	20.9%	19.7%	20.3%	24.1%
Risk-free interest rate	(0.4%)	(0.3%)	(0.3%)	(0.5%)
Calculated cost for PSUs at time of granting	598	461	320	319
Performance period	3 years	3 years	3 years	2.5 years
Award date	April 2019	April 2018	April 2017	September 2016
Vesting date	May 2022	May 2021	May 2020	May 2019
Market value of PSUs in the year, at time of award DKKm				
Henrik Poulsen	2.69	2.73	2.43	2.24
Marianne Wiinholt	1.51	1.53	1.27	1.17
Maximum number of outstanding shares in pct. of share capital				
Henrik Poulsen	0.009%	0.010%	0.007%	0.003%
Marianne Wiinholt	0.005%	0.005%	0.004%	0.002%

PSUs awarded to the Executive Board

	Henrik Poulsen, CEO	Marianne Wiinholt, CFO
Opening balance	PSUs held at the beginning of the year	
	20,684	11,031
During the year	PSUs awarded, grant year ¹	4,496
	Dividend PSUs awarded, prior grant years	419
	PSUs vested	7,149
		3,730
Closing balance	PSUs awarded and unvested at year end ²	18,450
		10,050
	Maximum number of shares resulting from PSUs granted as of 31 December 2019	36,900
		20,100
	Maximum fair value of shares resulting from PSUs as of 31 December 2019 in DKK (200% vesting factor)	25,424,100
		13,848,900

¹ The number of PSUs calculated is based on the average share price for the first five trading days after release of the annual report (DKK 479).

² The PSUs awarded are subject to company TSR performance.

Cash-based remuneration 2019

Whereas the expensed remuneration consists of the market value of the LTI scheme at the time of grant distributed over the three-year vesting period, the cash-based remuneration shows the actual cash value of the scheme at the time of vesting.

The share programme vested for the first time in May 2019. The TSR (share price including dividend payments in the period) had increased 99%, leading to a higher market value of the shares at the time of vesting.

Therefore, the remuneration on a cash basis paid to our CEO and CFO was higher than the total expensed remuneration. The difference is illustrated in the table below.

The cash-based realised remuneration for Henrik Poulsen and Marianne Wiinholt is further illustrated in the two charts. The variable share constitutes almost half of the total remuneration for 2019, reflecting the close coherence between the performance of Ørsted, the individual performance and the remuneration of the Executive Board in 2019.

Cash-based remuneration of the Executive Board, DKK '000

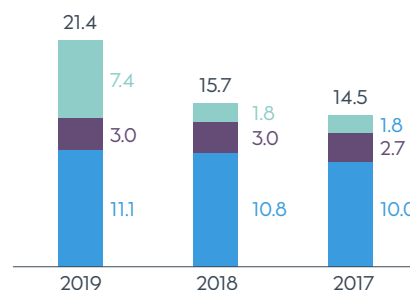
Element	Henrik Poulsen, CEO		Marianne Wiinholt, CFO	
	2019	2018	2019	2018
Total remuneration, expensed	16,693	17,344	9,288	9,653
Share-based remuneration, add-back	(2,618)	(2,306)	(1,429)	(1,231)
IPO Executive Retention Bonus, add-back	-	(1,232)	-	(643)
Cash value of vested shares (see specification below)	7,355	0	3,837	-
Cash payment of IPO Executive Retention Bonus	-	1,848	-	964
Total remuneration including market value increase of shares, cash basis	21,430	15,654	11,696	8,743
Specification of cash value of vested shares				
Value of grant per grant date ¹	1,848	-	964	-
Grant value of peer group performance vesting multiplier	1,848	-	964	-
Share price increase and dividend PSUs during vesting period	3,659	-	1,909	-
Total value of vested shares	7,355	-	3,837	-

¹ Calculated as number of awarded PSUs * share price based on average share price for the first five trading days after release of the annual report.

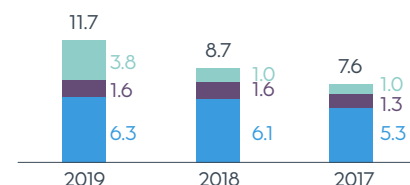
Cash-based remuneration, DKKm

- Fixed base salary, incl. benefits
- STI
- LTI¹

Henrik Poulsen



Marianne Wiinholt

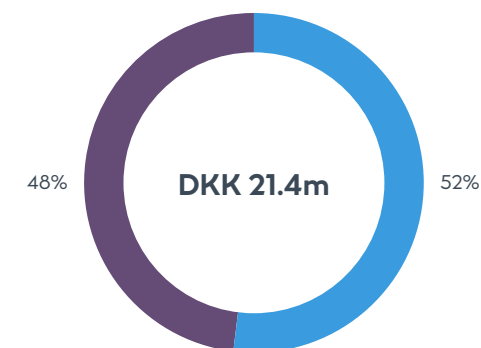


¹ In 2017 and 2018, the LTI represents the IPO Executive Retention Bonus. The cash-based remuneration includes the actual vesting value of the LTI in the year of vesting.

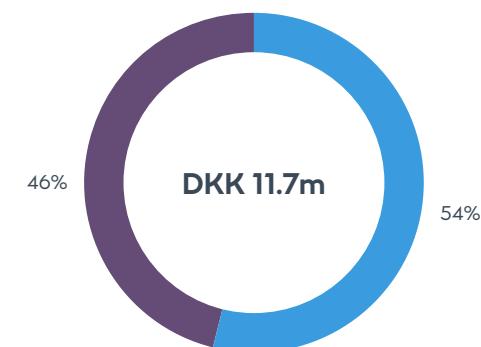
Composition of fixed and variable cash-based remuneration in 2019, %

- Fixed remuneration
- Variable remuneration

Henrik Poulsen



Marianne Wiinholt



Ørsted's performance

The overall performance of Ørsted is measured by three metrics:

- Our business performance EBITDA (excl. farm-downs).
- Total shareholder return (TSR).
- Installed green capacity, offshore and onshore.

As a high-growth and capital intensive company, EBITDA (excl. new partnerships) is a good measure of the financial outcome of our operating activities. Partnership earnings from farm-downs are excluded in order to show the underlying business performance, as these items vary significantly across years.

The TSR represents the value Ørsted creates to shareholders.

Lastly, the installed green capacity of our offshore and onshore assets is a direct measure of our green growth strategy.

EBITDA has increased steadily the last five years, except between 2016 and 2017, as 2016 was positively effected by one-off compensations in Markets & Bioenergy of DKK 4.3 billion. TSR is measured from the IPO in 2016. The TSR and installed green capacity have increased in all reported years.

As seen in the figure, the performance of Ørsted measured by these metrics is correlated with the cash-based remuneration of our CEO and CFO. The TSR is illustrated through the market capitalisation of Ørsted.

The increase in cash-based remuneration in 2019 is due to the first vesting of the share programme introduced in 2016.

Comparison to development in the Group's average salary and CEO pay ratio

In 2019, the fixed base salary increased by 2.5% for both the CEO and CFO.

The average fixed base salary increase in the Group amounted to 3.0% in 2019. In Denmark, the average fixed base salary increase amounted to 2.8%.

In 2019, The CEO pay ratio was 21 times the average wage per FTE.

Clawback clause

The Executive Board's incentive-based remuneration is subject to clawback if the remuneration was based on erroneous data, and the Executive Board member knew or should have known about this.

Notwithstanding the foregoing, shares in the Company (or cash) received due to vesting of PSUs are subject to clawback during the first six months after vesting of the PSUs, irrespective of whether the Executive Board member knew or should have known about this.

Furthermore, shares in the Company (or cash) received due to vesting of PSUs may, under certain circumstances set out in the detailed terms of the share programme, be subject to clawback after the first six months following vesting of the PSUs.

Cash-based remuneration and company performance development 2015-2019, %

Annual change	2019	2018	2017	2016	2015
Realised remuneration, cash basis, Executive Board					
Henrik Poulsen	36.9%	7.7%	(50.5%)	162.8%	7.2%
Marianne Wiinholt	33.8%	15.5%	(57.0%)	189.9%	3.2%
Ørsted performance					
EBITDA (excl. new partnerships)	16.8%	17.6%	(10.0%)	61.9%	50.4%
TSR	61.0%	32.0%	29.0%	14.0%	n.a.
Installed green capacity, offshore and onshore	21.9%	64.1%	8.3%	20.0%	20.0%
Base salary increase					
Henrik Poulsen	2.5%	8.2%	5.0%	4.0%	5.0%
Marianne Wiinholt	2.5%	16.6%	5.0%	4.0%	3.0%
Global average salary review	3.0%	2.9%	2.6%	2.4%	1.9%
DK average salary review	2.8%	2.7%	2.4%	2.3%	1.8%

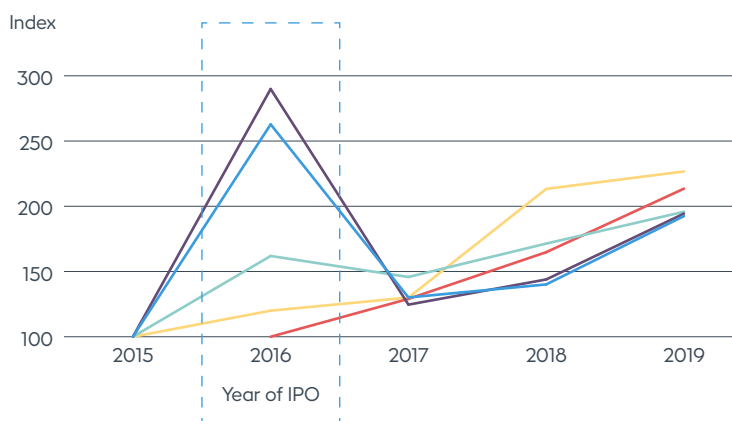


The significant increase in total cash-based remuneration for both Henrik Poulsen and Marianne Wiinholt in 2016 was due to the vesting of the share programme

at the time of the IPO. The LTI share of the remuneration fluctuates throughout the years.

Development in Executive Board total cash-based remuneration, EBITDA, installed green capacity and market cap 2015-2019, %

- Henrik Poulsen — cash-based remuneration
- Marianne Wiinholt — cash-based remuneration
- EBITDA development (excl. new partnerships)
- Installed green capacity, offshore and onshore
- Market capitalisation (proxy for TSR)



Baseline for market cap figures is 9 June 2016 (IPO). Other figures are calculated on the basis of 2015 as a baseline of 100%.

Remuneration of the Board of Directors

Remuneration structure and fee in 2019

The members of the Board of Directors receive a fixed fee each year. The Chairmanship and the members of the committees also receive a multiple of the fixed fee for the extra work contained in these roles. None of the members perform consultancy work for Ørsted. The members' travel costs are covered by the company. The members are not entitled to severance payments. The remuneration fee increased by 1.8% in 2019. See appendix for further details regarding remuneration of the Board of Directors.

Remuneration multiple 2019, Board of Directors and Committees

	Board of Directors	Audit & Risk Committee	Nomination & Remuneration Committee
Chairman	3.0	0.6	0.4
Deputy Chairman	2.0	n.a.	n.a.
Member	1.0	0.3	0.25



The remuneration multiples are unchanged from 2018.

Remuneration of the Board of Directors, DKK '000	Annual fee	Audit & Risk Committee	Nomination & Remuneration Committee	2019	# Ørsted A/S shares, 31 December 2019
Thomas Thune Andersen	977		130	1,108	550
Lene Skole	652		81	733	2,181
Lynda Armstrong	326		68	394	
Dieter Wemmer	326	179		505	1,500
Jørgen Kildahl	326	81		407	
Peter Korsholm	326	98		423	4,500
Hanne Sten Andersen	326			326	2,394
Benny Gøbel	326			326	1,087
Poul Dreyer	326			326	2,207
Pia Gjellerup (resigned in March 2019)	81		21	102	n.a.
Benny D. Loft (resigned in March 2019)	81	49		130	n.a.
Total	4,073	407	300	4,780	14,419



The table shows the remuneration paid to the members of the Board of Directors and the committees.

Statement by the Board of Directors

The Board of Directors have today considered and approved the remuneration report of Ørsted A/S for the financial year 1 January - 31 December 2019.

The report has been prepared to meet the requirements of the new section 139b of the Danish Companies Act. The report is further prepared in accordance with the European Commission Guidelines' draft on the standardised presentation of the remuneration report as regards the encouragement of long-term shareholder engagement.

In our opinion, the remuneration report provides a fair presentation of the development in the remuneration of our Executive Board and the remuneration of the Board of Directors as well as a fair presentation of the selected Group's and parent company's financial and non-financial figures for the financial year 1 January - 31 December 2019.

We recommend that the remuneration report be adopted at the annual general meeting where the report will be presented for an advisory vote.

Skærbæk, 30 January 2020

Board of Directors:

Thomas Thune Andersen
Chairman

Jørgen Kildahl

Hanne Sten Andersen*

Lene Skole
Deputy Chairman

Peter Korsholm

Poul Dreyer*

Lynda Armstrong

Dieter Wemmer

Benny Gøbel*

* Employee representative

Independent Auditor's Statement on Remuneration report

To the Shareholders of Ørsted A/S

According to section 139 b of the Danish Companies Act, Management is responsible for preparing a remuneration report in accordance with the remuneration policy adopted at the General Meeting.

Our opinion on the audit of the Consolidated Financial Statements and the Parent Company Financial Statements does not include the remuneration report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements for 2019, it is, however, our responsibility pursuant to section 147 of the Danish Companies Act to verify that all disclosures required under section 139 b(3) of the Danish Companies Act are included in the Company's remuneration report for 2019.

We found no reason to point out any omissions with respect to the disclosures included in the remuneration report for 2019.

Hellerup, 30 January 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR-no. 33 77 12 31

Lars Baungaard

State Authorised Public Accountant
mne23331

Rasmus Friis Jørgensen

State Authorised Public Accountant
mne28705

Appendix – Executive Board

Executive Board remuneration		2019	2018	2017	2016	2015
Henrik Poulsen						
Fixed base salary	DKKkM	10.8	10.5	9.7	9.2	8.9
Cash-based incentive scheme (STI)	DKKkM	3.0	3.0	2.7	2.1	1.8
Share-based incentive scheme (LTI)	DKKkM	2.6	2.3	1.4	1.4	2.8
IPO Executive Retention Bonus	DKKkM	-	1.2	1.8	0.6	-
Benefits, incl. social security	DKKkM	0.3	0.3	0.3	0.2	0.2
Total remuneration, expensed	DKKkM	16.7	17.3	15.9	13.6	13.7
Share-based remuneration, add-back	DKKkM	(2.6)	(2.3)	(1.4)	(1.4)	(2.8)
IPO Executive Retention Bonus, add-back	DKKkM	-	(1.2)	(1.8)	(0.6)	-
Cash value of vested shares	DKKkM	7.3	-	-	17.5	-
Cash payment of IPO Executive Retention Bonus	DKKkM	-	1.9	1.8	-	-
Total remuneration, cash basis	DKKkM	21.4	15.7	14.5	28.9	10.9
STI of maximum bonus	%	93	92	88	91	77
LTI vesting factor (share programme)	%	200	n.a.	n.a.	125	n.a.
Variable share of total remuneration, expensed	%	34	38	37	31	34
Fixed share of total remuneration, expensed	%	66	62	63	69	66
Variable share of total remuneration, cash basis	%	48	31	31	68	17
Fixed share of total remuneration, cash basis	%	52	69	69	32	83
Fixed base salary increase	%	2.5	8.3	5.0	4.0	5.0
Total expensed remuneration development	%	(3.8)	9.3	16.9	(0.9)	25.1
Total cash-based remuneration development	%	37	8	(50)	165	5

Executive Board remuneration		2019	2018	2017	2016	2015
Marianne Wiinholt						
Fixed base salary	DKKkM	6.0	5.9	5.1	4.9	4.6
Cash-based incentive scheme (STI)	DKKkM	1.6	1.6	1.3	1.2	1.2
Share-based incentive scheme (LTI)	DKKkM	1.4	1.2	0.7	0.9	1.8
IPO Executive Retention Bonus	DKKkM	-	0.6	1.0	0.3	-
Benefits, incl. social security	DKKkM	0.3	0.2	0.2	0.2	0.2
Total remuneration, expensed	DKKkM	9.3	9.7	8.3	7.5	7.9
Share-based remuneration, add-back	DKKkM	(1.4)	(1.2)	(0.7)	(0.9)	-1.8
IPO Executive Retention Bonus, add-back	DKKkM	-	(0.6)	(1.0)	(0.3)	-
Value of vested shares	DKKkM	3.9	-	-	11.1	-
Cash payment of IPO Executive Retention Bonus	DKKkM	-	1.0	1.0	-	-
Total remuneration, cash basis	DKKkM	11.7	8.7	7.6	17.5	6.1
STI of maximum bonus	%	86	88	86	94	86
LTI vesting factor (share programme)	%	200	n.a.	n.a.	125	n.a.
Variable share of total remuneration, expensed	%	32	36	36	33	38
Fixed share of total remuneration, expensed	%	68	64	64	67	62
Variable share of total remuneration, cash basis	%	46	30	30	71	20
Fixed share of total remuneration, cash basis	%	54	70	70	29	80
Fixed base salary increase	%	2.5	16.6	5.0	4.0	3.0
Total expensed remuneration development	%	(3.8)	16.0	11.0	(4.7)	27.2
Total cash-based remuneration development	%	34	15	(56)	188	3

Appendix – selected Ørsted metrics

Ørsted performance		2019	2018	2017	2016	2015
Installed green capacity, offshore and onshore	MW	7,817	6,415	3,875	3,591	3,009
Growth per year	%	21.9	64.1	8.3	20.0	20.0
Market capitalisation	DKKk	290	183	142	113	n.a.
Growth per year	%	58.1	28.7	26.6	n.a.	n.a.
TSR per year	%	61	32	29	14	n.a.
Total remuneration, excl. CEO	DKKk	5,027	4,240	4,137	4,183	4,078
Average number of FTEs, excl. CEO	#	6,328	5,795	5,737	5,893	5,881
CEO pay ratio	ratio	21	24	22	19	20
Ørsted Group						
EBITDA, business performance	DKKk	17,484	30,029	22,519	19,109	8,730
Earnings from new partnership agreements	DKKk	0	15,063	9,792	4,974	0
EBITDA, excl. new partnerships	DKKk	17,484	14,966	12,727	14,135	8,730
Growth per year	%	16.8	17.6	(10.0)	61.9	50.4
Profit before tax, business performance	DKKk	8,856	23,504	15,044	14,352	512
Profit after tax, business performance	DKKk	6,044	19,496	20,199	13,213	(12,084)
Ørsted A/S						
Profit before tax	DKKk	4,199	3,081	(1,143)	(148)	(9,394)
Profit after tax	DKKk	3,823	3,012	(1,219)	475	(10,614)
Average salary increase, excl. Executive Board	%	2.3	2.4	3.2	2.0	3.2

Appendix – Board of Directors

Remuneration of the Board of Directors, DKK '000

	2019			2018			2017			2016			2015		
	Annual fee	ARC and NRC ² fees	Total	Annual fee	ARC and NRC ² fees	Total	Annual fee	ARC and NRC ² fees	Total	Annual fee	ARC and NRC ² fees	Total	Annual fee	ARC and NRC ² fees	Total
Thomas Thune Andersen	977	130	1,108	960	128	1,088	960	128	1,088	960	128	1,088	500	50	550
Lene Skole	652	81	733	640	104	744	640	163	803	640	48	688	250	-	250
Lynda Armstrong	326	68	394	320	-	320	320	-	320	320	-	320	146	-	146
Dieter Wemmer	326	179	505	267	80	347	-	-	-	-	-	-	-	-	-
Jørgen Kildahl	326	81	407	267	-	267	-	-	-	-	-	-	-	-	-
Peter Korsholm	326	98	423	320	96	416	267	80	347	-	-	-	-	-	-
Hanne Sten Andersen	326	-	326	320	-	320	320	-	320	320	-	320	175	-	175
Benny Gøbel	326	-	326	320	-	320	320	-	320	320	-	320	175	-	175
Poul Dreyer	326	-	326	320	-	320	320	-	320	320	-	320	175	-	175
Pia Gjellerup (resigned in March 2019)	81	21	102	320	80	400	320	80	400	320	80	400	175	25	200
Benny D. Loft (resigned in March 2019)	81	49	130	320	192	512	320	192	512	512	-	512	175	100	275
Jens Nybo Stilling (resigned in March 2018)	-	-	-	80	-	80	320	-	320	12	192	320	175	-	175
Martin Hintze ¹ (resigned in March 2017)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Poul Arne Nielsen (resigned in March 2017)	-	-	-	-	-	-	80	-	80	320	-	320	175	-	175
Claus Wiinblad (resigned in March 2017)	-	-	-	-	-	-	80	24	104	320	96	416	175	50	225
Jørgen P. Jensen (resigned in March 2015)	-	-	-	-	-	-	-	-	-	-	-	-	75	-	75
Total	4,073	707	4,780	4,454	680	5,134	4,267	667	4,934	4,480	544	5,024	2,371	225	2,596
Increase in board remuneration			(7%)			4%			(2%)			94%			5%
Ordinary board fee	326			320			320			320			175		
Increase in ordinary board fee	2%			0%			0%			83%			0%		
Ørsted, global avg. base salary increase	3.0%			2.9%			2.6%			2.4%			1.9%		

¹ Martin Hintze waived his right to receive board remuneration.

² ARC stands for Audit & Risk Committee, and NRC stands for Nomination & Remuneration Committee.

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