

COPENHAGEN AIRPORTS A/S
STATEMENT ON CORPORATE GOVERNANCE 2012

Statutory report on corporate governance for the financial year 2012, cf. Section 107 b of the Danish Financial Statements Act

This statement forms part of Management's review in the CPH Annual Report for 1 January – 31 December 2012.

Being a company listed on the regulated market of NASDAQ OMX Copenhagen A/S, CPH is committed to a code of corporate governance prepared by the Committee on Corporate Governance in Denmark. The code, entitled Recommendations on Corporate Governance, is available at www.corporategovernance.dk.

Below is a table explaining the position CPH takes on each of the recommendations. The recommendations specify that it is equally legitimate for a company to provide an explanation, as to comply with a specific recommendation, as the key issue is to create transparency in corporate governance matters.

Following the table, the main elements of CPH's internal control and risk management systems in relation to the financial reporting process are discussed and reported for 2012.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
1. The role of the shareholders and their interaction with the management of the company			
<i>1.1. Dialogue between the company and its shareholders</i>			
1.1.1. The Committee recommends that the central governing body, for example through investor relations activities, ensure an ongoing dialogue between the company and its shareholders in order that the central governing body knows the shareholders' attitude, interests and views in relation to the company and that investor relations material be made available to all investors on the company's website.	Yes		CPH's IR policy is to offer a consistently high level of information on CPH's goals, performance and outlook through an active and open dialogue with shareholders, including on the company's website, www.cph.dk . In addition, two issues of CPH's newsletter to shareholders, CPH News, were distributed in 2012.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
<i>1.2. Capital and share structure</i>			
1.2.1. The Committee recommends that the central governing body every year evaluate whether the company's capital and share structures continue to be in the interests of the shareholders and the company and account for this evaluation in the management commentary in the annual report and/or on the company's website.	Yes		<p>The Board of Directors considers the company's capital and share structures on a regular basis, and at least once a year, to ensure the best possible long-term structure for CPH.</p> <p>CPH's capital and share structures are described in the management's report (under the heading Shareholder information) in CPH's 2012 Group Annual Report.</p>
<i>1.3. General Meeting</i>			
1.3.1. The Committee recommends that the supreme governing body and the executive board promote active ownership, including shareholders' attendance at general meetings.	Yes		<p>CPH's IR policy is to offer a consistently high level of information on CPH's goals, performance and outlook through an active and open dialogue with shareholders, including on the company's website, www.cph.dk.</p> <p>In addition, two issues of CPH's newsletter to shareholders, CPH News, were distributed in 2012.</p> <p>CPH contacts all registered shareholders directly (by email/letter), urging them to attend annual general meetings.</p>
1.3.2. The Committee recommends that the central governing body resolve or submit to the general meeting the question whether the general meeting shall be conducted by physical attendance or as a partly or entirely electronic general meeting.	Yes		The Board of Directors has resolved to conduct annual general meetings by physical attendance.
1.3.3 The Committee recommends that proxies given to the supreme governing body allow shareholders to consider each individual item on the agenda.	Yes		The notice convening the annual general meeting allows each shareholder to give proxy to the supreme governing body with respect to each individual item on the agenda.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
1.3.4 The Committee recommends that all members of the supreme governing body and the executive board be present at the general meeting.	Yes		<p>All members of the Board of Directors and the Executive Management are present at the annual general meeting, unless exceptional circumstances occur, which prevent them from attending.</p> <p>At the general assembly on 27 March 2012, two of the members of the Board of Directors were prevented to attend.</p>
<i>1.4. Takeover bids</i>			
1.4.1 The Committee recommends that the central governing body, from the moment it obtains knowledge that a takeover bid will be submitted, do not, without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which in reality prevent the shareholders from deciding on the takeover bid.	Yes		From the moment it obtains knowledge that a takeover bid will be submitted, the Board of Directors does not, without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which in reality prevent the shareholders from deciding on the takeover bid.
1.4.2. The Committee recommends that the central governing body give the shareholders the opportunity to decide whether or not they wish to dispose of their shares in the company under the terms offered.	Yes		The Board of Directors gives the shareholders the opportunity to decide whether or not they wish to dispose of their shares in the company under the terms offered.
2. The role of stakeholders and their importance to the company and the company's corporate social responsibility			
<i>2.1. The company's policy in relation to its stakeholders</i>			
2.1.1. The Committee recommends that the central governing body identify the company's key stakeholders and their main interests in relation to the company.	Yes		<p>The Board of Directors has approved a stakeholder map describing the most important stakeholders of CPH.</p> <p>Based on this map, a stakeholder database has been established, which includes an analysis and a description of the main interests of CPH's individual stakeholders in relation to the company.</p>

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
2.1.2. The Committee recommends that the central governing body adopt a policy on the company's relationship with its stakeholders, including the investors, and ensure that the interests of the stakeholders are respected in accordance with the company's policy on such issues.	Yes		<p>The Board of Directors has adopted policies to ensure that the interests of key stakeholders, including investors, are respected.</p> <p>The Board of Directors is committed to ensuring that such interests are respected.</p>
<i>2.2. Corporate social responsibility</i>			
2.2.1. The Committee recommends that the central governing body adopt a policy on corporate social responsibility.	Yes		<p>CPH has adopted a policy on corporate social responsibility with four areas of focus:</p> <ul style="list-style-type: none"> (1) Human resources (2) Climate and energy (3) Procurement, and (4) Safety/Security <p>The policy and CSR targets is described in more detail on the CPH website under "CSR" and in the report "CPH and Society", which forms part of CPHs Annual Report.</p> <p>In February 2011, CPH signed the UN Global Compact.</p>
3. Openness and transparency			
<i>3.1. Disclosure of information to the market</i>			
3.1.1. The Committee recommends that the central governing body adopt a communication strategy.	Yes		The Board of Directors has adopted a communication strategy ensuring that all important information relevant to investors and other stakeholders is released and how, when and to whom publication is made.
3.1.2. The Committee recommends that information from the company to the market be published in both Danish and English.	Yes		All information from CPH to the market is published in Danish and English.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
3.1.3. The Committee recommends that the company publish quarterly reports.	Yes		CPH publishes quarterly reports.
4. The tasks and responsibilities of the supreme and the central governing bodies			
<i>4.1. Overall tasks and responsibilities</i>			
4.1.1. The Committee recommends that the central governing body determine the company's overall strategy at least once every year with a view to sustaining value creation in the company.	Yes		CPH's Board of Directors determines the company's overall strategy on a two-day strategy seminar in the spring every year with a follow-up strategy meeting in the autumn.
4.1.2. The Committee recommends that the supreme governing body at least once every year discuss and ensure that the necessary qualifications and financial resources are in place in order for the company to achieve its strategic goals.	Yes		In connection with the annual strategy seminars, the Board of Directors ensures that the necessary qualifications and financial resources are in place in order for the company to achieve its strategic goals.
4.1.3. The Committee recommends that the supreme governing body at least once every year define its most important tasks related to the financial and managerial control of the company, including how to supervise the work of the executive board.	Yes		As part of the strategy seminars, the Board of Directors defines its most important tasks related to the financial and managerial control of the company, including supervision of the work of the Executive Management. Control is exercised, among other things, through the quarterly reporting and follow-up relative to the budget and strategic goals.
4.1.4. The Committee recommends that the supreme governing body annually discuss the company's activities to ensure diversity at management levels, including equal opportunities for both sexes, and that the supreme governing body set measurable objectives and in the management commentary in the annual report and/or on the company's website give an account of both the objectives and the progress made in achieving the objective.	Yes		The Board of Directors discuss CPHs activities to ensure diversity at management levels and has in 2012 set specific objectives for diversity, of which an account is reported in "CPH and Society" as part of CPHs Annual Report.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
<i>4.2. Procedures</i>			
4.2.1. The Committee recommends that the supreme governing body review its rules of procedure annually to ensure that they are adequate and always match the activities and needs of the company.	Yes		The Board of Directors reviews the rules of procedure for the Board of Directors every year.
4.2.2. The Committee recommends that the supreme governing body annually review and approve procedures for the executive management, including establish requirements for the executive management's timely, accurate and adequate reporting to the supreme governing body and for any other communication between the two governing bodies.	Yes		The Board of Directors reviews the instructions for the Executive Management (at CPH called "Instructions for the Executive Management") each year.
<i>4.3. The chairman and deputy chairman of the supreme governing body</i>			
4.3.1. The Committee recommends that a deputy chairman of the supreme governing body be appointed, who must be able to act in the chairman's absence and also act as an effective sounding board for the chairman.	Yes		CPH has elected two deputy chairmen who, together with the chairman, make up the Chairmanship. The deputy chairmen may act on behalf of the chairman in his absence and, otherwise, as an effective sounding board for the chairman.
4.3.2. The Committee recommends the preparation of a scope of work and task list specifying the tasks, duties and responsibilities of the chairman and deputy chairman.	Yes		CPH has adopted a Charter for the Chairmanship, which describes the tasks, duties and responsibilities of the chairman and the deputy chairmen.
4.3.3. The Committee recommends that the chairman of the supreme governing body organize, convene and chair meetings to ensure efficiency in the body's work and to create the best possible working conditions for the members, individually and collectively.	Yes		The chairman of the Board of Directors organises, convenes and chairs board meetings to ensure efficiency in the work of the Board of Directors and the individual members.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
<p>4.3.4. The Committee recommends that, if the board of directors in exceptional cases asks its chairman to perform special tasks for the company, including briefly participate in the day-to-day management, a board resolution to that effect should be passed and precautions taken to ensure that the board of directors will maintain responsibility for the overall management and control function. A reasonable distribution of duties must be ensured between the chairman, the deputy chairman, the other members of the board of directors and the executive management. Information about agreements on the chairman's participation in the day-to-day management and the expected duration hereof must be disclosed in a company announcement.</p>	Yes		<p>The chairman of the Board of Directors does not perform special tasks for the company and does not participate in the day-to-day management.</p> <p>If the involvement of the Chairman were to be required to perform special tasks, a separate resolution by the Board of Directors would be prepared in advance and a company announcement to that effect would be published.</p>
<p>5. Composition and organization of the supreme governing body</p>			
<p><i>5.1. Composition</i></p>			
<p>5.1.1. The Committee recommends that the supreme governing body annually specify the skills it must have to best perform its tasks and that the specification is posted on the website. Proposals for the nomination/replacement of members of the supreme governing body to be submitted to the general meeting should be prepared in the light hereof.</p>	Yes		<p>The Board of Directors has adopted a specification of competencies for CPH's Board of Directors, which is available on CPH's website www.cph.dk.</p> <p>Proposals for the nomination/replacement of members of the Board of Directors submitted to the general meeting will be prepared in the light hereof.</p>

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
5.1.2. The Committee recommends that the supreme governing body ensure a formal, thorough and transparent process for selection and nomination of candidates to the supreme governing body. When assessing its composition and nominating new candidates, the supreme governing body must take into consideration the need for integration of new talent and the need for diversity in relation to international experience, gender and age, etc.	Yes		The Board of Directors are keenly aware of having the necessary skills among its members, thus the Board of Directors has set up a formal, thorough and transparent process for selection and nomination of candidates to the Board of Directors.
5.1.3. The Committee recommends that a description of the nominated candidates' qualifications, including information about other executive functions, e.g. memberships of executive boards, boards of directors and supervisory boards, including board committees, held by the candidates in both Danish and foreign companies as well as information on demanding organizational tasks should accompany the notice convening the general meeting when election of members to the supreme governing body is on the agenda.	Yes		CPH makes sure that a description of the nominated candidates' qualifications, including information about other executive functions, is sent out with the notice convening the annual general meeting.
5.1.4. The Committee recommends that every year, the annual report contain an account of the composition of the supreme governing body, including its diversity, and of any special skills possessed by the individual members.	Yes		The annual report contains an account of the composition of the Board of Directors, including diversity and skills.
<i>5.2. Training of members of the supreme governing body</i>			
5.2.1. The Committee recommends that new members joining the supreme governing body be given an introduction to the company.	Yes		New members joining the Board of Directors are given an introduction to the company. The chairman of the Board of Directors, CEO and the company secretary provide this introduction.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
5.2.2. The Committee recommends that the supreme governing body annually assess whether the skills and expertise of its members need to be updated.	Yes		As part of the annual evaluation of the Board of Directors, the chairman of the Board of Directors performs an annual assessment of the need for the skills of the individual board members to be updated. The assessment is based on the chairman's assessment of each member's contribution to the work of the Board of Directors during the past year relative to such member's skills profile as well as to the recruitment profile for the Board of Directors members as such.
<i>5.3. Number of members of the supreme governing body</i>			
5.3.1. The Committee recommends that the supreme governing body have only so many members as to allow a constructive debate and an effective decision-making process enabling all members to play an active role.	Yes		As provided in CPH's articles of association, the Board of Directors of CPH has six members, in addition to members elected by the employees. The employees have elected three members. The Board of Directors believes that the number of members of the Board of Directors is appropriate to ensure an effective decision-making process.
5.3.2. The Committee recommends that in connection with the preparation for each year's general meeting, the supreme governing body consider whether the number of members is appropriate in relation to the requirements of the company.	Yes		The number of members of the Board of Directors is considered in connection with the preparation of the general meeting.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
<i>5.4. The independence of the supreme governing body</i>			
<p>5.4.1. In order for the members of the supreme governing body to act independently of special interests, the Committee recommends that at least half of the members elected by the general meeting be independent persons.</p> <p>The independent supreme governing body member may not:</p> <ul style="list-style-type: none"> • be, or have been within the last five years, a member of the executive board/managerial staff of the company or an associated company, • have received significant additional remuneration from the company/group or an associated company apart from a fee for its services in the capacity as a member of the supreme governing body, • represent the interests of a controlling shareholder, • within the last year, have had a material business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body of companies with similar relations) with the company or an associated company, • be, or have been within the last three years, an employee or partner of the external audit firm, • hold cross-memberships of governing bodies, • have been a member of the supreme governing body for more than 12 years, or • have close family ties with persons that are not regarded as independent persons. 		No	<p>Copenhagen Airports Denmark ApS (CAD), an investment company for Ontarios Teachers Pension Plan (OTPP) and Macquarie European Infrastructure Fund III (MEIF3) holds 57.7% of CPH's share capital.</p> <p>CPH's Board of Directors has four members nominated by CAD, two independent members, including the chairman and three members elected by the employees.</p> <p>Candidates are selected for their skills, professional experience, expertise in airport management and fit with the other candidates appointed to the board to ensure that the directors are able to actively contribute with his or her knowledge and experience to CPH's continuing development.</p> <p>Members of the Board of Directors are particularly aware of their duties and that the interests of other shareholders must be safeguarded on an equal footing with those of the majority shareholder.</p>

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
5.4.2. The Committee recommends that at least once every year, the supreme governing body list the names of the members who are regarded as independent persons and also disclose whether new candidates for the supreme governing body are considered independent persons.	Yes		The annual report provides an account of the members of the Board of Directors elected by the general meeting considered independent in accordance with the stated definition. In connection with election of new candidates to the Board, information is provided as to whether each candidate can be considered independent.
<i>5.5. Members of the supreme governing body elected by the employees</i>			
5.5.1. The Committee recommends that the individual company explain, in the company's annual report or on its website, the system of employee-elected board members and the company's use hereof in companies where the employees have chosen to apply the provisions of the Companies Act on employee representation.	Yes		<p>CPH Board of Directors comprises six members elected by the annual general meeting and three members elected by the employees.</p> <p>According to Danish law, the members elected by the employees hold the same rights and obligations as the members elected by the annual general meeting.</p> <p>Employee members are elected for a term of four years. The most recent employee elections took place in March 2011.</p> <p>The system of employee-elected members of the Board of Directors and the company's use hereof is explained on the company's website.</p>
<i>5.6. Meeting frequency</i>			
5.6.1. The Committee recommends that the supreme governing body meet at regular intervals according to a predetermined meeting and work schedule or when meetings are deemed necessary or appropriate as required by the company and that the number of meetings held be disclosed in the annual report.	Yes		<p>Board of Directors meetings are scheduled in consultation with the Executive Management in order to ensure a constructive reporting at the most suitable times for both parties.</p> <p>The Board of Directors held six meetings during 2012.</p>

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
<i>5.7. Expected time commitment and the number of other executive functions</i>			
5.7.1. The Committee recommends that each member of the supreme governing body assess the expected time commitment for each function in order that the member does not take on more functions than he/she can manage in a satisfactory way for the company.	Yes		The practice for Board of Directors is that the individual board members assess the required time commitment to the board work as well as the work of board committees in order for such work to be performed in a manner that is satisfactory to the company.
5.7.2. The Committee recommends that the annual report contain the following information about the members of the supreme governing body: <ul style="list-style-type: none"> • the member's occupation, • the member's other executive functions, e.g. memberships of executive boards, boards of directors and supervisory boards, including board committees, in Danish and foreign companies as well as demanding organizational tasks, and • the number of shares, options, warrants, etc. that the member holds in the company and its consolidated companies and any changes in such holdings during the financial year. 	Yes		<p>The management's report (under the heading Board of Directors) lists the occupation, executive functions, etc. of each board member.</p> <p>The management's report (under the heading Shareholder information) discloses the Board of Directors members' shareholdings in CPH.</p> <p>No CPH options, warrants or similar instruments have been issued to the members of the Board of Directors.</p> <p>CPH discloses (if any) in the annual report any holdings by board members of shares, options, warrants and similar instruments in companies consolidated with CPH and any changes in such holdings.</p>
<i>5.8. Retirement age</i>			
5.8.1. The Committee recommends that the company's articles of association fix a retirement age for members of the supreme governing body and that the annual report contain information on such retirement age as well as the age of each member of the board of directors.	Yes		<p>No member of the Board of Directors may remain on CPH's Board of Directors after the annual general meeting of the calendar year in which the member reaches the age of 75, which is set out in the articles of association.</p> <p>The annual report contains information on the ages of the individual board members.</p>

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
5.9. Election period			
5.9.1. The Committee recommends that members of the supreme governing body elected by the general meeting be up for re-election every year at the annual general meeting.	Yes		According to the company's Articles of Association, all members of the Board of Directors elected by the general meeting are up for re-election every year at the annual general meeting.
5.9.2. The Committee recommends that the annual report state when the individual member of the supreme governing body joined the body, whether the member was re-elected and when the current election period expires.	Yes		The management's report (under the heading Board of Directors) states the year in which the relevant member joined the Board of Directors. Employee elected board members are elected for a four year period. As other board members are up for election every year, there is no need to state the expiry of the current election period.
5.10. Board committees			
<p>5.10.1. The Committee recommends that the company publish the following information in the management commentary in its annual report or on the company's website:</p> <ul style="list-style-type: none"> • the terms of reference for the board committees, • important activities of the committees during the year and the number of meetings held by each committee, and • the names of the members of each committee, including the chairmen of the committees, as well as information on which members are independent members and which members have special qualifications. 	Yes		<p>CPH web (under the heading Corporate governance) contains the full wording of the terms of reference for the Audit and Risk Management Committee and the full wording of the charter of the Chairmanship.</p> <p>CPH web (under heading Corporate governance) contains a summary of important activities during the year and the number of meetings held by each committee.</p> <p>CPH web (under heading Board Committees) contains a list with names of each committee, including the chairmen of the committees, as well as information on which members are independent members and which members have special qualifications.</p>

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
<p>5.10.2. The Committee recommends that a majority of the members of a board committee be independent members.</p>		No	<p>Please refer to comments under 5.4.1.</p> <p>The Board of Directors has decided that the Chairmanship consisting of the Chairman and the two deputy chairmen shall have the preparatory tasks applicable to nomination and remuneration committees. The Chairmanship consists of one independent member and two dependent members.</p> <p>The Audit and Risk Management Committee consists of one independent member and three dependent members.</p> <p>As a result of this composition of the Board of Directors, the majority of members of the board committees are not independent persons.</p>
<p>5.10.3. The Committee recommends that the supreme governing body establish an actual audit committee.</p>	Yes		<p>The Board of Directors has set up an Audit and Risk Management Committee, whose tasks include the functions of the audit committee as stated in the recommendation.</p>
<p>5.10.4. The Committee recommends that the following be taken into account in composing the audit committee:</p> <ul style="list-style-type: none"> • the chairman of the supreme governing body should not be chairman of the audit committee, and • between them, the members should possess such an amount of expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit conditions of companies whose shares are admitted to trading on a regulated market. 	Yes		<p>The chairman of the Board of Directors of CPH is not member of the Audit and Risk Management Committee.</p> <p>The Audit and Risk Management Committee possesses the recommended expertise and experience.</p>

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
<p>5.10.5. The Committee recommends that, prior to the approval of the annual report and other financial reports, the audit committee monitor and report to the supreme governing body about:</p> <ul style="list-style-type: none"> • significant accounting policies • significant accounting estimates, • related party transactions, and • uncertainties and risks, including in relation to the outlook. 	Yes		<p>The Audit and Risk Management Committee discusses such matters in connection with the presentation of quarterly reports and annual reports and report to the Board of Directors of CPH on these matters prior to the approval of quarterly reports and annual reports.</p>
<p>5.10.6. The Committee recommends that the audit committee:</p> <ul style="list-style-type: none"> • annually consider whether there is a need for an internal audit function, and if so, • formulate recommendations on selecting, appointing and removing the head of the internal audit function and on the budget of the internal audit function, and • monitor the executive board's follow-up on the conclusions and recommendations of the internal audit function. 	Yes		<p>The Audit and Risk Management Committee makes an annual assessment of the need for an internal audit function and makes recommendations to the Board of Directors in that respect.</p> <p>The Audit and Risk Management Committee has reached the conclusion that, considering the company's circumstances, the most appropriate procedure is to outsource the internal audit tasks to an independent firm of auditors with expertise in this field.</p> <p>In that context, the Audit and Risk Management Committee defines guidelines for such tasks and monitors the Executive Management's reactions to the internal audit's conclusions and recommendations.</p>

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
<p>5.10.7. The Committee recommends that the supreme governing body establish a <u>nomination committee</u> with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • describe the qualifications required in the two governing bodies and for a given position, state the expected time commitment for a position and evaluate the balance of skills, knowledge and experience available in the two governing bodies. • annually evaluate the structure, size, composition and performance of the governing bodies and make recommendations to the supreme governing body with regard to any changes, • annually evaluate the skills, knowledge and experience of the individual members of the governing bodies and report such details to the supreme governing body, • consider proposals submitted by relevant persons, including shareholders and members of the governing bodies, for candidates for executive positions, and • identify and recommend to the supreme governing body candidates for the governing bodies. 	Yes		The Board of Directors has decided that the Chairmanship consisting of the Chairman and the two deputy chairmen shall have the preparatory tasks applicable to a nomination committee.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
<p>5.10.8. The Committee recommends that the supreme governing body establish a <u>remuneration committee</u> with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • make proposals, for the approval of the supreme governing body prior to approval at the general meeting, on the remuneration policy, including the overall principles of incentive pay schemes, for members of the supreme governing body and the executive board, • make proposals to the supreme governing body on remuneration for members of the supreme governing body and the executive board and ensure that the remuneration is consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned. The committee should have information about the total amount of remuneration that members of the supreme governing body and the executive board receive from other companies in the group, and • oversee that the information in the annual report on the remuneration of the supreme governing body and the executive board is correct, true and sufficient. 	Yes		The Board of Directors has decided that the Chairmanship consisting of the Chairman and the two deputy chairmen shall have the preparatory tasks applicable to a remuneration committee.
<p>5.10.9. The Committee recommends that the remuneration committee do not consult with the same external advisers as the executive management of the company.</p>	Yes		The Board of Directors ensures that the advisers are not the same advisers as those retained by the Executive Management.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
<i>5.11. Evaluation of the performance of the supreme governing body and the executive board</i>			
5.11.1. The Committee recommends that the supreme governing body undertake an annual evaluation of the performance and achievements of the supreme governing body and of the individual members of the body.	Yes		<p>CPH's Board of Directors has defined an evaluation procedure in accordance with the recommendation.</p> <p>In December 2012 an evaluation of the performance and achievements of the Board of Directors and the individual members was carried out.</p>
5.11.2. The Committee recommends that the chairman be in charge of the evaluation of the supreme governing body, that the outcome be discussed in the supreme governing body and that the details of the procedure of self-evaluation and the outcome be disclosed in the annual report.	Yes		<p>The chairman of the Board of Directors is in charge of the self-evaluation of the Board of Directors.</p> <p>The evaluation in 2012 was executed by an external consultant based on a questionnaire survey tailored for CPH and a following discussion of the outcome in the Board of Directors. The main conclusion of the evaluation is that the performance and achievements of the Board of Directors is adequate and satisfactory. The dialogue of the specific parts of the evaluation identified areas for further development, which is planned for 2013.</p>
5.11.3. The Committee recommends that the supreme governing body at least once every year evaluate the work and performance of the executive management in accordance with pre-defined criteria.	Yes		<p>The Board of Directors evaluates the Executive Management relative to the Executive Management's incentive plan once a year, normally in December. In addition, the Executive Management is continually evaluated by the chairman of the Board of Directors.</p>
5.11.4. The Committee recommends that the executive management and the supreme governing body establish a procedure according to which their cooperation is evaluated annually through a formalized dialogue between the chairman of the supreme governing body and the chief executive officer and that the outcome of the evaluation be presented to the supreme governing body.	Yes		<p>Each year, the chairman of the Board of Directors and the CEO follow a formal procedure to evaluate the cooperation between the Board of Directors and the Executive Management.</p> <p>The evaluation in 2012 was executed by an external consultant based on a questionnaire survey tailored for CPH and a following discussion of the outcome in the Board of Directors. The main conclusion of the evaluation is that the cooperation between the Board of Directors and the Executive management is adequate and satisfactory. The dialogue of the specific parts of the evaluation identified areas for further development, which is planned for 2013.</p>

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
6. Remuneration of members of the governing bodies			
<i>6.1. Content and form of the remuneration policy</i>			
6.1.1. The Committee recommends that the supreme governing body adopt a remuneration policy applicable to the supreme governing body and the executive management.	Yes		CPH's remuneration policy for the Board of Directors and the Executive Management is intended to promote long-term behaviour and ensure a balanced correlation between performance and remuneration at a competitive level.
6.1.2. The Committee recommends that the remuneration policy and any changes to the policy be approved by the general meeting of the company.	Yes		The remuneration policy and any changes thereto are submitted to and approved by the company's general meeting.
6.1.3. Committee recommends that the remuneration policy include a thorough description of the components of the remuneration for members of the supreme governing body and the executive management.	Yes		The remuneration policy describes thorough components of remuneration for members of the Board of Directors and the Executive Management.
6.1.4. The Committee recommends that the remuneration policy include: <ul style="list-style-type: none"> • the reasons for choosing the individual components of the remuneration, and • a description of the criteria on which the balance between the individual components of the remuneration is based. 	Yes		The remuneration policy includes the reasons for choosing the individual components of the remuneration and a description of the criteria on which the balance between the individual components of the remuneration is based.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
<p>6.1.5. The Committee recommends that, if the remuneration policy includes variable components,</p> <ul style="list-style-type: none"> • limits be set on the variable components of the total remuneration package, • a reasonable and balanced linkage be ensured between remuneration for governing body members, expected risks and the value creation for shareholders in the short and long term, • there be clarity about performance criteria and measurability for award of variable components, and • there are criteria ensuring that vesting periods for variable components of remuneration agreements are longer than one calendar year. 	Yes		The variable components of CPH's remuneration policy are in compliance with the recommendation.
<p>6.1.6. The Committee recommends that remuneration of members of the supreme governing body do not include share or warrant programs.</p>	Yes		CPH does not have share option plans for the members of the Board of Directors.
<p>6.1.7. The Committee recommends that if members of the executive management receive share-based remuneration, such programs be established as roll-over program, i.e. the options are granted periodically and should not be exercisable earlier than three years from the date of grant. An explanation of the relation between the redemption price and the market price at the time of grant should be provided.</p>	Yes		CPH does not have share option plans for the members of the Executive Management.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
6.1.8. The Committee recommends that, in exceptional cases, companies should be able to reclaim in full or in part variable components of remuneration that were paid on the basis of data, which proved to be manifestly misstated.		No	CPH considers that it is only reasonable to reclaim variable components of remuneration in cases where the company has a claim to repayment in accordance with the general Danish legal basis of repayment requirements applicable to those who have made a payment in the mistaken belief that they were required to do so ("condictio indebiti").
6.1.9. The Committee recommends that termination payments should not amount to more than two years' annual remuneration.	Yes		As stipulated in CPH's remuneration policy, agreements on termination payments for the Executive Management do not amount to more than the last two years' remuneration.
<i>6.2. Disclosure of the remuneration policy</i>			
6.2.1. The Committee recommends that the remuneration policy be clear and easily understandable and that it be disclosed in the annual report and posted on the company's website.	Yes		The remuneration practice is described in the annual report under the note on staff cost. The remuneration policy is disclosed on the company website, subject to approval at the annual general meeting.
6.2.2. The Committee recommends that the company's remuneration policy and compliance with this policy be explained and justified in the chairman's statement at the company's general meeting.	Yes		An explanation and justification of CPH's remuneration policy and compliance therewith will be provided in the chairman's report to the annual general meeting of the company.
6.2.3. The Committee recommends that the total remuneration granted to each member of the supreme governing body and the executive management by the company and other consolidated companies be disclosed in the (consolidated) financial statements and that the linkage with the remuneration policy be explained.	Yes		CPH provides the recommended information in the annual report in such a way that information on remuneration is provided at an individual level.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
6.2.4. The Committee recommends that the details of any defined-benefit schemes offered to members of the supreme governing body or the executive management and the actuarial value of such schemes as well as changes during the year be included as part of the information on the total remuneration.	Yes		CPH does not use defined benefit pension plans.
6.2.5. The Committee recommends that the most important aspects of retention and severance programs be disclosed in the company's annual report.	Yes		<p>CPH has implemented guidelines for retention and severance schemes for the members of the Executive Management. The guidelines are disclosed in the note for staff cost in the annual report.</p> <p>The guidelines are in line with market standards and include a mix of short-term and long-term incentives as described in the remuneration policy as well as clauses on notices of termination and severance payment, which are normal for executive service contracts in large cap companies.</p>
6.2.6. The Committee recommends that the proposal for remuneration of the supreme governing body for the current financial year be approved by the shareholders at the general meeting.	Yes		At the annual general meeting, shareholders can approve proposals for remuneration of the Board of Directors for the current financial year.
7. Financial reporting			
<i>7.1. Other relevant information</i>			
7.1.1. The Committee recommends that the annual report and other financial reports be supplemented by additional financial and non-financial information, if deemed necessary or relevant in relation to the information needs of the recipients.	Yes		CPH publishes a separate CSR report, which is posted on CPH's website.

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
7.2. <i>Going concern assumption</i>			
7.2.1. The Committee recommends that, upon consideration and approval of the annual report, the supreme governing body decide whether the business is a going concern, including supporting assumptions or qualifications where necessary.	Yes		<p>CPH's Board of Directors complies with this recommendation with respect to ensuring that the financial statements are presented under the going concern assumption.</p> <p>When considering and approving the annual report, the Board of Directors is particularly aware of the company's financial position, existing credit facilities and their maturities, performance of loan agreements and covenants, etc.</p>
8. Risk management and internal control			
<i>8.1. Identification of risks</i>			
8.1.1. The Committee recommends that the central governing body at least once every year identify the most important business risks associated with the realization of the company's strategy and overall goals as well as the risks associated with financial reporting.	Yes		<p>The most important business risks are identified and assessed regularly by the Executive Management and discussed in the Audit and Risk Management Committee, which reports to the Board of Directors on these issues. Similarly, the Committee discusses major changes to the risk situation on a quarterly basis and reports to the Board of Directors.</p> <p>The most important risks associated with financial reporting are identified each year in connection with the preparation of the annual report by the Audit and Risk Management Committee, which reports to the Board of Directors thereon.</p>
8.1.2. The Committee recommends that the executive board currently report to the supreme governing body on the development within the most important areas of risk and compliance with adopted policies, frameworks etc. in order to enable the supreme governing body to track the development and make the necessary decisions.	Yes		<p>The Executive Management reports on a quarterly basis to the Audit and Risk Management Committee about developments within the most important areas of risk and on compliance with adopted policies.</p> <p>The Audit and Risk Management Committee and the Executive Management then report to the Board of Directors.</p>

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
<i>8.2. Whistle blowing</i>			
8.2.1. The Committee recommends that the supreme governing body decide whether to establish a whistle blowing scheme for expedient and confidential notification of possible or suspected wrongdoing.	Yes		The Board of Directors has decided to establish a whistle blowing scheme, which was implemented in 2012. Under the whistle blowing scheme, employees and other CPH stakeholders may in good faith submit anonymous or non-anonymous reports of serious conditions of illegal or unethical behavior in CPH. The portal is hosted by an independent party, guaranteeing anonymity, security and ease of use in the system.
<i>8.3. Openness about risk management</i>			
8.3.1. The Committee recommends that the management commentary in the annual report include information about the company's management of business risks.	Yes		CPH discloses the company's management of business risks in the management's report (under the heading Risk factors).

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
9. Audit			
<i>9.1. Contact to auditor</i>			
9.1.1. The Committee recommends that the supreme governing body maintain a regular dialogue and exchange of information with the auditor.	Yes		<p>The dialogue and exchange of information between the auditor and the Board of Directors is maintained, among other things, by the auditor's review of CPH's quarterly reports and audit of CPH's annual report. The conclusions of this work are documented in auditors' reports and long-form audit reports.</p> <p>This is supported by a supplementary dialogue in the preparatory quarterly meetings of the Audit and Risk Management Committee, where the auditor attends the consideration of draft quarterly reports and annual reports and a number of other issues.</p> <p>In connection with the preparatory audit of the Group Annual Report, the auditor reviews certain internal controls in the company's business procedures in relation to financial bookkeeping and reporting.</p> <p>Reporting of this and any recommendations are included in a separate report from the auditor, which the auditor reviews with the Audit and Risk Management Committee in a quarterly meeting.</p> <p>The auditor attends the meeting of the Board of Directors in which the draft annual report is submitted and approved.</p>
9.1.2. The Committee recommends that the auditor agreement and auditors' fee be agreed between the supreme governing body and the auditor on the basis of a recommendation from the audit committee.	Yes		<p>The auditor agreement and the related auditor's fee are agreed between the Board of Directors and the auditor on the basis of a recommendation from the Audit and Risk Management committee.</p>
9.1.3. The Committee recommends that the supreme governing body and the audit committee meet with the auditor at least once every year without the executive board present. This also applies to the internal auditor, if any.	Yes		<p>A meeting is held on an annual basis between the auditors and the members of the Board of Directors without the Executive Management being present. Each meeting in the Audit and Risk Management Committee is started without the Executive Management being present.</p>

Recommendation	CPH complies	CPH does not comply	CPH complies/does not comply with the recommendation due to the following reason:
<i>9.2. Internal audit</i>			
<p>9.2.1. The Committee recommends that the supreme governing body, on the basis of a recommendation from the audit committee, once every year decide whether to establish an internal audit for support and control of the company's internal control and risk management systems and state the reasons for its decision in the annual report.</p>	Yes		<p>Based on a recommendation from the Audit and Risk Management Committee, the Board of Directors has resolved to have an external firm of auditors perform certain internal audit tasks on an outsourcing basis.</p> <p>CPH believes that the need for having internal audit tasks performed is very limited due to the company's circumstances, and that it is therefore more appropriate that such tasks are performed on an outsourcing basis.</p> <p>This approach also ensures the necessary professional skills for the performance of such tasks.</p> <p>Once a year, the Board of Directors assesses the need for an internal audit function and how internal audit tasks are performed in the most appropriate manner.</p>

Reporting on main elements of CPH's internal control and risk management systems in relation to the financial reporting process

The Group's internal control systems and management guidelines for them are reviewed on an ongoing basis, and any material deviations and changes are reviewed by the Audit & Risk Management Committee (the 'committee').

CPH is focused on a strong risk management and internal control environment in relation to the presentation of financial statements.

The Group's risk management and internal controls in relation to the presentation of financial statements is designed with a view to managing rather than eliminating the risk of errors and omissions in the financial reporting.

CPH bases its risk management on the COSO I-framework and internal controls in connection with the financial reporting.

Control environment

The general policies and controls in key areas in connection with the financial reporting process are established and approved by the Executive Management and the committee.

This requires a well-defined organizational structure, well-defined reporting lines, authorization and certification procedures and segregation of duties.

The committee reviews the organizational structure and the staffing in key areas at least once a year, including areas related to the financial reporting.

Based on the general policies, procedures, etc., CPH's Finance Department has laid down a number of detailed policies, procedures and internal controls (including minimum requirements for business procedures, internal controls, segregation of duties, reconciliation, approvals, authorizations, certifications, accounting policies, internal and external reporting), a treasury policy (fixing of "lines", "limits", counterparties), a tax policy and an IT security policy.

The policies, procedures and other measures adopted are assessed continuously, including in connection with the preparation of the monthly management accounts.

CPH's Risk Management & Compliance Department monitors compliance with relevant legislation and other financial reporting regulations and provisions and regularly reports its findings to the committee.

Risk assessment

The committee makes an annual general risk assessment in relation to the financial reporting process and measures taken to eliminate and/or reduce the risks.

The committee considers the risk of fraud and the measures to be taken to reduce and/or eliminate such risk.

The committee also considers any possibility of management overriding of controls and manipulating the financial reporting.

Decisions on measures to reduce and/or eliminate risks are based on an assessment of materiality and cost/benefit analyses.

Significant risks in relation to the financial reporting are described in note 1 to the annual report on critical choices and judgments in the accounting policies and critical accounting estimates.

Control activities

The control activities are based on the risk assessment.

The objective of the control activities are to ensure compliance with the policies, procedures adopted and timely prevention, detection and correction of any errors, omissions.

The control activities include general IT controls, access controls, automated application controls in IT systems as well as manual and physical controls.

CPH has established a formal consolidated reporting process which includes budgeting and monthly reporting, including deviation reports (relative to budget and the previous year) with quarterly updating of estimates for the year.

In addition to the income statement, balance sheet and cash flow statement, the financial reporting comprises notes and supplementary information regarding assessment of performance and follow-up on objectives (including key performance indicators).

The preparation of monthly reports is based on a highly systematically planned process which includes closing of the accounts, accrual accounting, recognition and measurement, controlling reconciliation of all material financial items, accounts, etc. and explanations of deviation from the budget and last year.

CPH's accounting, group reporting and preparation of reports, controlling, etc. is carried out by a head office finance function based on a SAP ERP system comprising CPH and its subsidiaries.

Bookkeeping for the hotel and the parking activities are handled by two separate accounting functions and is controlled monthly by CPH and audited by PwC.

Information and communications processes

CPH has adopted an information and communication policy which, among other things, sets out the external financial reporting requirements in accordance with current legislation and applicable regulations.

CPH considers it important to comply with applicable disclosure obligations and that the disclosures are full, complete and accurate.

Within the framework applicable to listed companies, CPH has planned open communications, among other things with a view to ensuring that key persons know the Group's significant risks and internal controls in connection with the financial reporting and that all employees are, on a timely, basis provided with relevant information to enable them to carry out their duties.

The information systems are designed with a view to ensuring that CPH at all times can report reliably and carry out control in order to effectively manage the Group operationally, financially and in accordance with current legislation and regulations.

The information systems are also designed so that, with the related system and manual controls, they can effectively and appropriately document controls and deviations from goals and policies.

Monitoring the efficiency of the internal control system

To ensure its effectiveness, the internal risk management and control system requires ongoing monitoring, testing and quality control.

Monitoring takes place by means of regular and/or periodic assessments and controls at relevant levels in the organization.

The scope and frequency of such periodic assessments depend mainly on the risk assessments and on the effectiveness of the regular controls.

For periodic assessments, CPH in certain cases employs external consultants (auditors) with special expertise within the area.

Any weaknesses, control failures, deviations from policies, etc. or other material deviations are reported upwards in the organization in accordance with the internal policies.

Any weaknesses, omissions and/or cases of non-compliance are reported to the Executive Management.

Any significant matters are also reported to the committee.

In the long-form audit report, the auditors appointed by the shareholders in general meeting report to the committee and the Board of Directors on any significant weaknesses in the Group's internal control systems in relation to the financial reporting process.

The Board of Directors/the committee monitors that the Executive Management responds effectively to any weaknesses and/or omissions and that agreed measures aimed at strengthening risk management and internal controls in relation to the financial reporting process are implemented according to plan.

The Executive Management is responsible for following up on any weaknesses identified.