

14 January 2014

Copenhagen Airports A/S (CPH)

**Statement on Corporate Governance
cf. section 107 b of the Danish Financial Statements Act**

14 January 2014

Statutory report on corporate governance, cf. section 107b of the Danish Financial Statements Act

The statement is a component of the management's report in the company's annual report with the following financial reporting period: **1 January 2013-31 December 2013**

Part 1: Code of corporate governance

CPH is comprised by the recommendations on corporate governance, which are available at the website of the Committee on Corporate Governance, www.corporategovernance.dk.

Recommendation	CPH complies	CPH complies partially	CPH does not comply	CPH approach
1. Communication and interaction by the company with its investors and other stakeholders				
<i>1.1. Dialogue between company, shareholders and other stakeholders</i>				
1.1.1. The Committee recommends that the board of directors ensure ongoing dialogue between the company and its shareholders in order for the shareholders to gain relevant insight into the company's potential and policies, and in order for the board of directors to be aware of the shareholders' views, interests and opinions on the company.	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 and other stakeholders. This is done using, among other media, the company's

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				website, www.cph.dk. In addition, two issues of CPH's newsletter to shareholders, CPH News, were distributed in 2013.
1.1.2. The Committee recommends that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders and other investors, and that the board ensures that the interests of the shareholders are respected in accordance with company policies.	Yes			The board of directors has adopted policies to ensure that the interests of key stakeholders, including investors, are respected. The board of directors is committed to ensuring that such interests are respected.
1.1.3. The Committee recommends that the company publish quarterly reports	Yes			CPH publishes quarterly reports.
<i>1.2. General meeting</i>				
1.2.1. The Committee recommends that when organizing the company's general meeting, the board of directors plans the meeting to support active ownership.	Yes			CPH encourages by direct contact (e-mail) all registered investors who have submitted their e-mail address via CPH's shareholder portal, that they attend the general meeting. The general meeting is held by physical attendance as

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				<p>directed by the board of directors.</p> <p>Prior to the general meeting, resolutions proposed by the shareholders are discussed objectively and constructively, and at the actual general meeting, the persons who have submitted proposals are given suitable speaking time and an opportunity to substantiate and motivate their proposals (for example by handing out material to the people attending the general meeting).</p>
<p>1.2.2. The Committee recommends that proxies granted for the general meeting allow shareholders to consider each individual item on the agenda.</p>	<p>Yes</p>			<p>The notice convening the general meeting allows each shareholder to give proxy with respect to each individual item on the agenda.</p>
<p>1.3. Takeover bids</p>				
<p>1.3.1. The Committee recommends that the company set up contingency procedures in the event of takeover bids from the time that the board of directors has reason to believe that a takeover bid will be made. According to such contingency procedures, the board of directors should</p>	<p>Yes</p>			<p>CPH's board of directors has adopted a "Takeover Defence Manual" with key procedures to be followed in the event of</p>

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<p>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 themselves.</p>				<p>takeover bids.</p> <p>The manual defines the roles and responsibilities of the board of directors and executive management, and it is set out that the board of directors cannot counter a takeover bid without the approval of the general meeting by making decisions which in reality prevent the shareholders from deciding on the takeover bid themselves.</p>
<p>2. Tasks and responsibilities of the board of directors</p>				
<p><i>2.1. Overall tasks and responsibilities</i></p>				
<p>2.1.1. The Committee recommends that at least once a year the board of directors take a position on the matters related to the board's performance of its responsibilities.</p>	<p>Yes</p>			<p>CPH has prepared an annual cycle containing a number of activities for the board of directors, including an annual board evaluation and an annual strategy seminar("strategy days").</p> <p>The board of directors' review</p>

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				of the rules of procedure for the board of directors, the instructions for the executive management and the other company documents is a regular item discussed each year at one of the board meetings.
2.1.2. The Committee recommends that at least once a year the board of directors take a position on the overall strategy of the company with a view to ensuring value creation in the company.	Yes			CPH's board of directors lays down the company's overall strategy each year at a two-day strategy seminar in the spring with a follow-up strategy meeting in the autumn.
2.1.3. The Committee recommends that the board of directors ensure that the company has a capital and share structure ensuring that the strategy and longterm value creation of the company are in the best interest of the shareholders and the company, and that the board of directors presents this in the management commentary on the company's annual report and/or on the company's website.	Yes			The board of directors assesses the company's capital and share structure each year with a view to ensuring that CPH has the best long-term structure. CPH's capital and share structures are described in the management's report (under the heading Shareholder information) in CPH's 2013 Group Annual Report.

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<p>2.1.4. The Committee recommends that the board of directors annually review and approve guidelines for the executive board; this includes establishing requirements for the executive board on timely, accurate and adequate reporting to the board of directors.</p>	<p>Yes</p>			<p>The board of directors reviews the rules of procedure for the executive management (called "Instructions for the Executive Management") each year.</p>
<p>2.1.5. The Committee recommends that at least once a year the board of directors discuss the composition of the executive board, as well as developments, risks and succession plans.</p>	<p>Yes</p>			<p>In connection with the annual evaluation of the collaboration between the executive management and the board of directors (see 3.5.4 below), the board of directors considers the composition of the executive management as well as developments, risks and succession plans.</p> <p>With respect to the latter, a "Succession Plan for the Executive Management of Copenhagen Airports A/S" exists, which contains a description of how the management of CPH will be continued in the event of any unexpected absence of the chief executive officer/top management.</p>

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<p>2.1.6. The Committee recommends that once a year the board of directors discuss the company's activities to ensure relevant diversity at management levels, including setting specific goals and accounting for its objectives and progress made in achieving the objectives in the management commentary on the company's annual report and/or on the website of the company.</p>	<p>Yes</p>			<p>The board of directors discusses the activities of the company to ensure diversity at the company's management levels and in 2012 set specific targets for diversity, which will be reported in the "CPH and Society" report, which forms an integral part of CPH's annual report.</p>
<p><i>2.2. Corporate social responsibility</i></p>				
<p>2.2.1. The Committee recommends that the board of directors adopt policies on corporate social responsibility.</p>	<p>Yes</p>			<p>CPH has defined a policy for corporate social responsibility (CSR) 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 the CSR goals and targets are described on CPH's website under "CSR" and in the report "CPH and Society", which forms an integral part of CPH's annual report.</p> <p>In February 2011, CPH joined</p>

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				the UN Global Compact.
<i>2.3. Chairman and vice-chairman of the board of directors</i>				
<p>2.3.1. The Committee recommends appointing a vice-chairman of the board of directors who will assume the responsibilities of the chairman in the event of the chairman’s absence, and who will also act as effective sparring partner for the chairman.</p>	Yes			<p>CPH has elected two deputy chairmen who, together with the chairman, make up the chairmanship.</p> <p>The deputy chairman can act in the event of the absence of the chairman and also act as effective sparring partners for the chairman.</p> <p>CPH has adopted a Charter for the Chairmanship which describes the tasks, duties and responsibilities of the chairman and the deputy chairmen.</p>
<p>2.3.2. The Committee recommends ensuring that, if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special operating activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, overall management and control function. Resolutions on the chairman’s participation in day-to-day management and the expected duration hereof should be published 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>To the extent it may be required that the chairman performs special duties for the company, a separate resolution by the board of</p>

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				<p>directors would be prepared in advance, which would also be communicated in a stock exchange announcement.</p> <p>The "Succession Plan for the Executive Management of Copenhagen Airports A/S" mentioned above under 2.1.5 includes similar provisions.</p>
<p>3. Composition and organization of the board of directors</p>				
<p><i>3.1. Composition</i></p>				
<p>3.1.1. The Committee recommends that the board of directors annually accounts for</p> <ul style="list-style-type: none"> • the skills it must have to best perform its tasks, • the composition of the board of directors, and • the special skills of each member. 	<p>Yes</p>			<p>The board of directors has prepared a description of the skills that CPH's board members must possess, which is communicated on CPH's website, www.cph.dk</p> <p>New board members are chosen based on the description before they are presented to the general meeting.</p> <p>The annual report includes a</p>

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				discussion of the composition of the board of directors, including on diversity, and on the skills of each of the members.
<p>3.1.2. The Committee recommends that the selection and nomination of candidates for the board of directors be carried out through a thoroughly transparent process approved by the overall board of directors. When assessing its composition and nominating new candidates, the board of directors must take into consideration the need for integration of new talent and diversity in relation to age, international experience and gender.</p>	Yes			The board of directors is aware of the need to have the necessary skills among its members. Before a candidate is proposed for election at a general meeting, the candidacy is discussed at a board meeting, at which it is also ensured that the requirement for diversity in relation to e.g. age, international experience and gender is taken into account.
<p>3.1.3. The Committee recommends that a description of the nominated candidates' qualifications, including information about the candidates'</p> <ul style="list-style-type: none"> • other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises, be accompanied by the notice convening the general meeting when election of members to the board of directors is on the agenda. • demanding organizational tasks, and information • about whether candidates to the board of directors are considered independent. 	Yes			<p>Together with the notice convening the general meeting, a description is forwarded of each candidate's qualifications, including information on managerial positions or directorships in other companies.</p> <p>In connection with the election of new members of</p>

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				the board of directors, information will be given on whether the new candidates are considered to be independent.
3.1.4. The Committee recommends that the company's articles of association stipulate a retirement age for members of the board of directors.	Yes			No member of the board of directors can remain on the board of directors after a general meeting in the calendar year when the member turns 75 years of age, which is set out in the articles of association. The annual report contains information about the age of each board member.
3.1.5. The Committee recommends that members of the board of directors elected by the general meeting be up for election every year at the annual general meeting.	Yes			According to the articles of association, all members elected by the general meeting are up for re-election every year at the annual general meeting.
<i>3.2. Independence of the board of directors</i>				
3.2.1. The Committee recommends that at least half of the members of the board of directors elected by the general meeting be independent persons, in order for the board of directors to be able to act independently			No	Copenhagen Airports Denmark ApS (CAD), an investment company of the

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<p>of special interests. To be considered independent, this person may not:</p> <ul style="list-style-type: none"> • be or within the past five years have been member of the executive board, or senior staff member in the company, a subsidiary undertaking or an associate, • within the past five years, have received larger emoluments from the company/group, • a subsidiary undertaking or an associate in another capacity than as member of the board of directors, • represent the interests of a controlling shareholder, • within the past year, have had significant business relations (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management in companies with corresponding connection) with the company, a subsidiary undertaking or an associate. • be or within the past three years have been employed or partner at the external auditor, • have been chief executive in a company holding cross-memberships with the company, • have been member of the board of directors for more than 12 years, or • have been close relatives with persons who are not considered independent. 				<p>Ontario Teachers' Pension Plan (OTPP) and Macquarie European Infrastructure Fund III (MEIF3) owns 57.7% of the shares of CPH.</p> <p>CPH's board of directors has four members appointed by CAD, two independent members, including the chairman, and three members elected by the employees.</p> <p>Candidates are elected based on their skills, professional experience, competencies within airport management and ability to collaborate with the other board members in terms of actively contributing his or her knowledge and experience with a view to the continuing development of CPH.</p> <p>The board of directors is particularly aware that the interests of other shareholders must be safeguarded on an equal footing with those of the majority shareholder.</p>

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<i>3.3. Members of the board of directors and the number of other executive functions</i>				
<p>3.3.1. The Committee recommends that each member of the board of directors assesses the expected time commitment for each function in order that the member does not take on more functions than he/she can manage satisfactorily for the company.</p>	Yes			<p>The practice for CPH's 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.</p>
<p>3.3.2. The Committee recommends that the management commentary, in addition to the provisions laid down by legislation, includes the following information about the members of the board of directors:</p> <ul style="list-style-type: none"> • the position of the relevant person, • the age and gender of the relevant person, • whether the member is considered independent, • the date of appointment to the board of directors of the member, • expiry of the current election period, • other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises and • demanding organizational tasks, and • the number of shares, options, warrants and similar in the company, and other group companies of the company, owned by the member, as well as changes in the portfolio of the member of the securities mentioned which have occurred during the financial year. 	Yes			<p>CPH's annual report contains information on which members of the board of directors are considered to be independent based on the definition stated.</p> <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 members' shareholdings in CPH.</p>

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				<p>No options, warrants or similar instruments have been issued (in relation to CPH) to members of the board of directors.</p> <p>CPH discloses 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> <p>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 terms of four years. As all other board members are up for re-election every year, there is no need to state the expiry of the current election period.</p>
<p><i>3.4. Board committees</i></p>				

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<p>3.4.1. The Committee recommends that the company publish the following on the company's website:</p> <p>The terms of reference of the board committees,</p> <ul style="list-style-type: none"> • the most 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>The terms of reference of the board committees are published on CPH's website (under the section Corporate Governance).</p> <p>The most important activities of the board committees during the year and the number of meetings held by each committee are published on CPH's website (under the section Corporate Governance).</p> <p>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 are published on CPH's website (under the section Board Committees).</p>
<p>3.4.2. The Committee recommends that a majority of the members of a board committee be independent.</p>			No	<p>See 3.2.1 above.</p> <p>The board of directors has decided that the chairmanship, consisting of</p>

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				<p>the chairman and the two deputy chairman, has the preparatory tasks which a nomination and remuneration committee is responsible for. The chairmanship consists of an independent member and two dependent members.</p> <p>The audit and risk management committee consists of an independent member and three dependent members.</p> <p>The above-mentioned composition is a consequence of an overall evaluation of the competencies and respective workloads of the board members.</p>
<p>3.4.3. The Committee recommends that the board of directors set up a formal <u>audit committee</u> composed such that</p> <ul style="list-style-type: none"> the chairman of the board of directors is not chairman of the audit committee, and between them, the members should possess such expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit aspects of companies whose shares are admitted to trading on a regulated market. 	<p>Yes</p>			<p>The board of directors of CPH has set up an "Audit and Risk Management Committee", whose tasks include the functions of the audit committee as stated in the recommendations.</p> <p>The chairman of the board of directors of CPH is not a</p>

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				<p>member of the Audit and Risk Management Committee.</p> <p>The Audit and Risk Management Committee possesses the recommended expertise and experience.</p>
<p>3.4.4. The Committee recommends that, prior to the approval of the annual report and other financial reports, the audit committee monitors and reports to the board of directors 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 for the current year. 	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>3.4.5. The Committee recommends that the audit committee:</p> <ul style="list-style-type: none"> • annually assesses the need for an internal audit, and in such case, makes 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 in that respect.</p> <p>The Audit and Risk Management Committee has reached the conclusion that, considering the company’s circumstances, the most</p>

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				<p>appropriate procedure is to outsource the internal audit tasks to an external 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>
<p>3.4.6. The Committee recommends that the board of directors establish a nomination committee chaired by the chairman of the board of directors with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • describe the qualifications required by the board of directors and the executive board, and for a specific membership, state the time expected to be spent on having to carry out the membership, as well as assess the competences, knowledge and experience of the two governing bodies combined, • annually assess the structure, size, composition and results of the board of directors and the executive board, as well as recommend any changes to the board of directors, • annually assess the competences, knowledge and experience of the individual members of management, and report to the board of directors in this respect, • consider proposals from relevant persons, including shareholders and members of the board of directors and the executive board for 	<p>Yes</p>			<p>The board of directors has decided that the chairmanship, consisting of the chairman and the two deputy chairman, have the preparatory tasks which a nomination committee is responsible for.</p> <p>With respect to the composition of the board of directors, the chairmanship proposes to the board of directors, based on "Specification of Competency for the Board of Directors of Copenhagen</p>

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<p>candidates for the board of directors and the executive board, and propose an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes.</p>				<p>Airports A/S" and the annual evaluation of the board of directors, new board members for approval by the board of directors before they are formally proposed for election by the general meeting.</p>
<p>3.4.7. The Committee recommends that the board of directors establish a remuneration committee with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • to recommend the remuneration policy (including the general guidelines for incentive-based remuneration) to the board of directors and the executive board for approval by the board of directors prior to approval by the general meeting, • make proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensure that the remuneration is in compliance with the company's remuneration policy and the assessment of the performance of the persons concerned. The committee should have information about the total amount of remuneration that members of the board of directors and the executive board receive from other companies in the group, and • recommend a remuneration policy applicable for the company in general.. 	Yes			<p>The board of directors has decided that the chairmanship, consisting of the chairman and the two deputy chairman, have the preparatory tasks which a remuneration committee is responsible for.</p>
<p>3.4.8. The Committee recommends that the remuneration committee do not consult with the same external advisers as the executive board of the</p>	Yes			<p>The board of directors does not consult with the same</p>

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company.				external advisers as the executive management of the company.
<i>3.5. Evaluation of the performance of the board of directors and the executive board</i>				
<p>3.5.1. The Committee recommends that the board of directors establish an evaluation procedure where contributions and results of the board of directors and the individual members, as well as collaboration with the executive board are annually evaluated. Significant changes deriving from the evaluation should be included in the management commentary or on the company's website.</p>	Yes			<p>The board of directors has defined an evaluation procedure in accordance with the recommendations.</p> <p>In December 2013, an evaluation of was made of the overall board of directors and the individual members and the collaboration with the executive management and the senior management of CPH.</p> <p>The evaluation is managed by the chairman of the board of directors, and the evaluation in 2013 was conducted with external assistance comprising a questionnaire survey and subsequent dialogue on the board of directors. The main conclusion of the evaluation was that the board work is generally well functioning. The dialogue</p>

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				<p>about the individual sub-elements of the evaluation uncovered certain areas which the board of directors wishes to develop further in 2014, and a plan has been made for how these areas will be developed.</p>
<p>3.5.2. The Committee recommends that in connection with preparation of the general meeting, the board of directors consider whether the number of members is appropriate in relation to the requirements of the company. This should help ensure a constructive debate and an effective decision-making process in which all members are given the opportunity to participate actively.</p>	<p>Yes</p>			<p>The number of members of the board of directors is considered in connection with the preparation of the general meeting.</p> <p>As provided in the rules of procedure for the board of directors, the board of directors of CPH has six members, in addition to members elected by the employees.</p> <p>The employees have elected three members.</p> <p>The board of directors believes that the number of members of the board of directors is appropriate to ensure an effective decision-making process.</p>

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<p>3.5.3. The Committee recommends that at least once every year the board of directors evaluate the work and performance of the executive board in accordance with predefined clear criteria.</p>	<p>Yes</p>			<p>The board of directors evaluates the work and performance of the executive management annually in accordance with pre-defined criteria, normally in December.</p> <p>In addition, the executive management is continually evaluated by the chairman of the board of directors and the chairmanship.</p>
<p>3.5.4. The Committee recommends that the executive board and the board of directors establish a procedure according to which their cooperation is evaluated annually through a formalized dialogue between the chairman of the board of directors and the chief executive officer and that the outcome of the evaluation be presented to the board of directors.</p>	<p>Yes</p>			<p>Each year, the chairman of the board of directors and the chief executive officer follow a formal procedure to evaluate the collaboration between the board of directors and the executive management.</p> <p>The evaluation in 2013 was conducted with external assistance comprising a questionnaire survey and subsequent dialogue on the board of directors. The main conclusion of the evaluation was that the collaboration between the board of</p>

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				directors and executive management is generally well functioning. The dialogue about the individual sub-elements of the evaluation uncovered certain areas which the board of directors wishes to develop further in 2014, and a plan has been made for how these areas will be developed.
4. Remuneration of management				
<i>4.1. Form and content of the remuneration policy</i>				
<p>4.1.1. The Committee recommends that the board of directors prepare a clear and transparent remuneration policy for the board of directors and the executive board, including</p> <ul style="list-style-type: none"> • a detailed description of the components of the remuneration for members of the board of directors and the executive board, • 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. <p>The remuneration policy should be approved by the general meeting and published on the company's website.</p>	Yes			<p>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.</p> <p>The remuneration policy and any changes thereto are submitted to and approved by the company's general</p>

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				<p>meeting.</p> <p>The remuneration policy includes a thorough description of the components of the remuneration for members of the board of directors and the executive management.</p> <p>The remuneration policy contains reasons for choosing the individual components of remuneration and a description of the criteria forming the basis of the balance among the individual components of remuneration.</p> <p>The remuneration practice is described in a note on staff costs in the annual report.</p> <p>The remuneration policy is described on CPH's website.</p>
<p>4.1.2. 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 		<p>Yes</p>		<p>Bullet points 1-4: The variable parts of the remuneration policy comply</p>

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<p>package,</p> <ul style="list-style-type: none"> • 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 terms, • there be clarity about performance criteria and measurability for award of variable components, • there be criteria ensuring that qualifying periods for variable components in remuneration agreements are longer than one calendar year, and • an agreement is made which, in exceptional cases, entitles the company to reclaim in full or in part variable components of remuneration that were paid on the basis of data, which proved to be misstated. 				<p>with the recommendations.</p> <p>Bullet point 5: CPH believes that it is only reasonable to recover variable components of remuneration in events in which the company has a claim for repayment in accordance with the general principle of Danish law that a person who has made a payment under the mistaken assumption that he was bound to make such payment has a right to recover such payment ("condictio indebiti").</p>
4.1.3. The Committee recommends that remuneration of members of the board of directors does not include share options.	Yes			CPH does not have share option plans for the members of the board of directors.
4.1.4. The Committee recommends that if share-based remuneration is provided, such programmes be established as roll-over programmes, i.e. the options are granted periodically and should have a maturity of at least three years from the date of allocation.	Yes			CPH does not have share option plans.
4.1.5. The Committee recommends that agreements on termination payments should not amount to more than two years' annual remuneration.	Yes			Pursuant to CPH's remuneration policy, agreements on termination payments for the executive

Recommendation	CPH complies	CPH complies partially	CPH does not comply	CPH approach
				management should not amount to more than the last two years' remuneration.
<i>4.2. Disclosure of the remuneration policy</i>				
4.2.1. The Committee recommends that the company's remuneration policy and compliance with this policy be explained and justified annually in the chairman's statement at the company's general meeting.	Yes			CPH's remuneration policy and compliance therewith is explained and justified in the chairman's report to the annual general meeting.
4.2.2. The Committee recommends that the proposed remuneration for the board of directors for the current financial year be approved by the shareholders at the general meeting.	Yes			At the annual general meeting, shareholders approve proposals for remuneration of the board of directors for the current financial year.
4.2.3. The Committee recommends that the total remuneration granted to each member of the board of directors and the executive board by the company and other companies in the group, including information on the most important contents of retention and retirement/resignation schemes, be disclosed in the annual report and that the linkage with the remuneration policy be explained.	Yes			CPH discloses the recommended information in the Group Annual Report.
5. Financial reporting, risk management and audits				
<i>5.1. Identification of risks and transparency about other relevant information</i>				

Recommendation	CPH complies	CPH complies partially	CPH does not comply	CPH approach
<p>5.1.1. The Committee recommends that the board of directors in the management commentary review and account for the most important strategic and business-related risks, risks in connection with the financial reporting as well as for the company's risk management.</p>	<p>Yes</p>			<p>The most important business risks are identified and assessed on a continuous basis 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 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> <p>CPH discloses the company's management of business risks in the management's report (under the heading Risk</p>

Recommendation	CPH complies	CPH complies partially	CPH does not comply	CPH approach
				factors).
<i>5.2. Whistleblower scheme</i>				
<p>5.2.1. The Committee recommends that the board of directors decide whether to establish a whistleblower scheme for expedient and confidential notification of possible or suspected wrongdoing.</p>	Yes			<p>The board of directors has resolved to establish a whistleblower scheme. The scheme was implemented in 2012.</p> <p>Under the whistleblower scheme, employees and other CPH stakeholders may submit anonymous or non-anonymous reports made in good faith of concerns they may have about serious matters or unethical conduct in CPH. The system used to register reports is hosted by an independent party that guarantees the security, anonymity and user-friendliness of the system.</p>
<i>5.3. Contact to auditor</i>				
<p>5.3.1. The Committee recommends that the board of directors ensure regular dialogue and exchange of information between the auditor and the board of directors, including that the board of directors and the audit committee at least once a year meet with the auditor without the</p>	Yes			<p>The dialogue and exchange of information between the auditor and the board of directors is maintained, among other things, by the</p>

Recommendation	CPH complies	CPH complies partially	CPH does not comply	CPH approach
<p>executive board present. This also applies to the internal auditor, if any.</p>				<p>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</p>

Recommendation	CPH complies	CPH complies partially	CPH does not comply	CPH approach
				<p>auditor goes through 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> <p>A meeting is held each year, at which the board of directors and auditors meet without the executive management.</p> <p>Each meeting of the Audit and Risk Management Committee begins with a meeting of the Committee with the auditor without the executive management.</p>
<p>5.3.2. The Committee recommends that the audit agreement and auditors' fee be agreed between the board of directors and the auditor on the basis of a recommendation from the audit committee.</p>	<p>Yes</p>			<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>

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Part 2: Any other codes adhered to by the company

None

Part 3: Main elements of the company's internal control and risk management system in connection with the financial reporting process

Description

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 by CPH's Finance Department 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 Finance 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.

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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 (all in Denmark).

Bookkeeping for the hotel activities are handled by a separate accounting function 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.

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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 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.

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Part 4: Composition of management bodies and their committees as well as their functions

See CPH's website, www.cph.dk